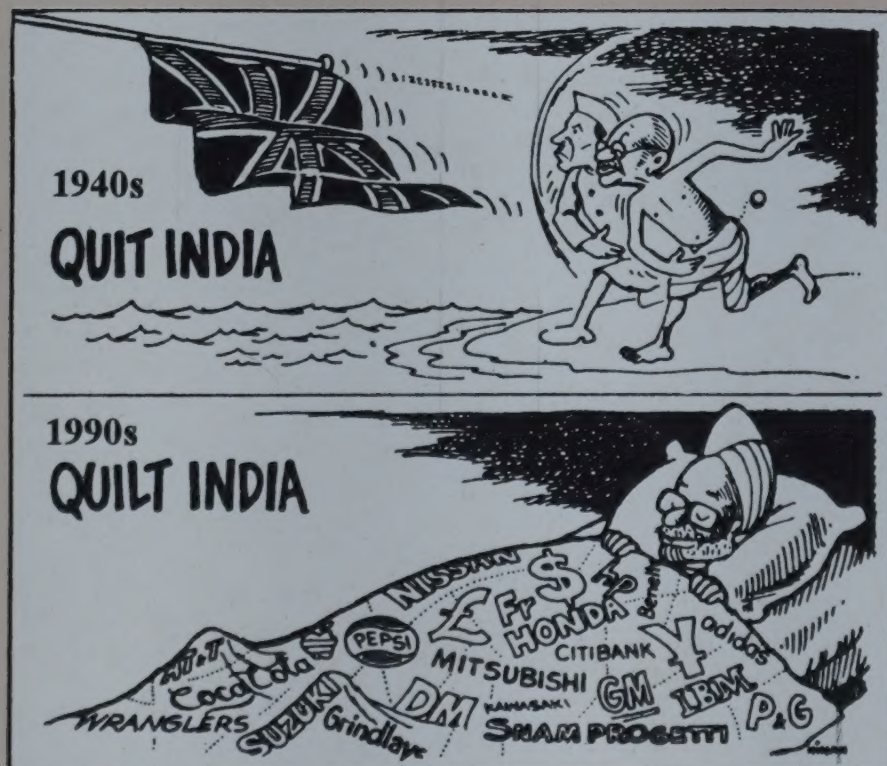


TNCs and India

An Activists' Guide to Research and
Campaign on Transnational Corporations



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TNCs and India

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First Edition: 1996

Suggested Contribution: Rs 50 or \$5

Acknowledgements

The authors benefitted from the assistance of many people in the preparation of this guide, and would like to thank the following in particular for their various help. Outside India: Simon Billinness; John Bonifaz; Marcia Carroll; Jeff Fielder; Aaron Freeman; Mathew Gianni; Rob Hager; Maeda Miho; Ward Morehouse; Andrew Radford; Suman Ray; John Richard; and Sister Ruth Rosenbaum. In India : Claude Alvares; Dr. Dattaram Desai; Dr. Biswajit Dhar; P.K. Ganguly; Dr. Arun Gupta; V.R. Jain; M.K. Jos; Abdul Jabbar Khan; Thomas Kocherry; Ann Leonard; K.S. Chalapati Rao; K.D. Sadhale; Satinath Sarangi; Dr. Mira Shiva; Dr. Pravin Sinha; Professor Dalip Swamy; D. Thankappan; Juhi Saklani; Suman Singh; Jagmohan Negi; and Sudhir Rawat. Of course, none of the above are responsible for the ways in which we have used their help. The authors gratefully acknowledge support from the Anti-Toxics Training and Technology Assessment Center. This handbook was produced with a grant from the Multinationals and Development Clearinghouse.

Special Notes

[i] While care was taken to be certain that the addresses and contact numbers of the listings in this guide are correct, it is difficult, if not impossible, to ensure 100 percent accuracy. Readers are encouraged to send any corrections to the Public Interest Research Group.

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Issued in Public Interest by

Public Interest Research Group
142, Maitri Apartments, Plot
I.P. Extension, [Near Patparganj]
Delhi - 110 092, Phone-cum-fax: 2610 142

Front Cover Illustration Courtesy: Nina

Printed at The Press, Shahdara, Delhi

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Library and Documentation Unit

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1st Block, Koramangala,

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This guide will refer to corporate giants such as Pepsi, Mitsubishi, and Hoechst as "Transnational Corporations," or TNCs. While many authors also employ this term, others prefer "Multinational Corporations," or MNCs, and still others "Multinational Enterprise," or MNE.

Data Notes on Money Figures

- One lakh is 1,00,000
- Million is 10,00,000
- One Crore is 1,00,000,00
- Billion is 1,000 million
- Trillion is 1,000 billion
- All \$ amounts mentioned in this guide are US dollars
- Exchange rate is the price at which one currency such as a rupee may be exchanged for another, e.g., a dollar. One US dollar is equal to Rs. 34 (1995)

What are TNCs ?

Transnational corporations are among the world's biggest economic institutions. A rough estimate suggests that the 300 largest TNCs own or control at least one-quarter of the entire world's productive assets, worth about US\$5 trillion. ¹ TNCs' total annual sales are comparable to or greater than the yearly gross domestic product (GDP) of most countries (GDP is the total output of goods and services for final use by a nation's economy). Itochu Corporation's sales, for instance, exceed the gross domestic product of Austria, while those of Royal Dutch/Shell equal Iran's GDP. Together, the sales of Mitsui and General Motors are greater than the GDPs of Denmark, Portugal, and Turkey combined, and US\$50 billion more than all the GDPs of the countries in sub-Saharan Africa. ²

Partly as a result of their size, TNCs tend to dominate in industries where output and markets are oligopolistic, or concentrated in the hands of a relatively small number of firms. The top five car and truck manufacturers are responsible for nearly 60 per cent of worldwide sales of motor vehicles. The five leading oil majors account for over 40 per cent of that industry's global market share. For the chemicals sector, the comparable percentage is 35 per cent, and for both electronics and steel it is over 50 per cent. ³

Though based predominantly in Western Europe, North America, and Japan, TNCs' operations span the globe. The Swiss electrical engineering giant ABB has facilities in 140 nations, for example, while Royal Dutch/Shell explores for oil in 50 countries,

refines in 34, and markets in 100. Offices of the US food processing firm H.J. Heinz cover six continents and Cargill, the US's largest grain company, operates in 54 countries. Britain's leading chemical company ICI has manufacturing operations in 40 nations and sales affiliates in 150. ⁴

Technical definitions of TNCs vary, but for the purposes of this guide the term "transnational corporation" means a for-profit enterprise marked by two basic characteristics: 1) it engages in enough business activities -- including sales, distribution, extraction, manufacturing, and research and development -- outside the country of origin so that it is dependent financially on operations in two or more countries; 2) and its management decisions are made based on regional or global alternatives. ⁵

A TNC can be a "public" corporation, which trades its shares of stock at stock exchanges or brokerage houses; the buyers from the public are "shareholders," and can include individuals as well as institutions such as banks, insurance companies, and pension funds. DuPont and Enron are examples of publicly-traded corporations. Or a TNC can be "private," meaning that it does not have shares which are traded publicly; such firms are frequently family-controlled. Cargill is a private firm which until recently was controlled by two families.

A "parent" company, located in the TNC's country of origin, exercises an authoritative, controlling influence over a "subsidiary" in another country either directly if it is private or, if it is public, by owning some or all of the shares (parent corporations can

Total Gross Domestic Products (GDPs) / Total Annual Sales of Select Countries and Transnational Corporations

Country / TNC	GDP / Total Sales (in billions US\$)	Country / TNC	GDP / Total Sales (in billions US\$)
Itochu Corporation	166	Matsushita Electric	61
Austria	164	British Petroleum	59
Marubeni Trading	149	Philip Morris	59
Mitsui	148	Hitachi	58
General Motors	132	Greece	58
Indonesia	117	General Electric	57
Exxon	116	Volkswagen	55
Argentina	114	Venezuela	53
Denmark	112	Nissan Motor	50
Finland	110	Siemens	50
Saudi Arabia	109	Peru	48
Norway	106	Malaysia	47
Ford	100	Philippines	45
Royal Dutch/Shell	97	Unilever	44
Iran	97	New Zealand	43
Turkey	96	Colombia	42
South Africa	92	Fiat	40
Nisso Iwai	91	Pakistan	40
Toyota Motors	81	Singapore	40
Grand Metropolitan	80	Nestle	38
Poland	78	Chrysler	37
Hong Kong	68	Toshiba	37
IBM	65	Texaco	37
Portugal	65	Elf Aquitaine	36
Mobil	64	ENI	34
Israel	63	Nigeria	34
Daimler-Benz	63		

(Sales are based on 1992 figures, GDPs on 1991 figures)

Source : United Nations.

exert controlling power even with relatively small share holdings in subsidiaries). United Carbide India Ltd., for example, was the Indian subsidiary of the US-based Union Carbide Corporation. Subsidiaries can have a different name than the parent company, and can of course also be located in the same country as the parent. The style of relation-

ships between parent and subsidiary companies --that is, how control is exercised--differs among TNCs' main home regions. More formal, centralised control has typically been a hallmark of US, and to a lesser extent European, corporations than of Japanese TNCs.

A Glossary of Key TNC and Foreign Investment Terms

- **Affiliate** -- A company owned or controlled by another corporation through ownership of ten per cent or more of outstanding voting stock.
- **Conglomerate** -- A business organisation generally consisting of a holding company and group of subsidiaries engaged in dissimilar activities. Usually, a conglomerate expands through mergers or takeovers of other independent companies.
- **Export Processing Zone or Free Trade Zone** -- A physically fenced-in industrial estate developed by host country governments to facilitate manufacture by foreign as well as domestic investors primarily for exports.
- **Foreign Direct Investment (FDI)**--The primary measure of cross-border investment of TNCs. FDI involves giving managerial controlling power to the foreign investor (in a joint venture, for example).
- **Franchise** -- A form of license agreement where the contract established involves a continuing relationship.
- **Holding Company** -- A holding company has control over one or more firms through ownership of the latter's stocks. It may or may not produce marketable goods and services, but is concerned with control over the managerial, financial, marketing, and other functions of the enterprises in which it has an ownership stake.
- **Joint Venture** -- This refers to an enterprise where two or more investors agree, as co-owners, to engage in business for profit. The extent of ownership of each partner determines its profit shares. It is common for one partner to own a minority of the total shares.
- **License Agreement** -- A contract made by a TNC with a subsidiary or local company for the use of a brand name, trade mark, patent, or copyright of a product for a specified duration of time. Payment may be in the form of a fee, sales percentage, royalty, etc.
- **Management Contract** -- An arrangement where a local firm "hires" a TNC to manage its business.
- **Merger** -- An amalgamation where two independent corporations agree to join together their equity and capital to form a new single company. In a **takeover**, one corporation acquires control of another company without mutual agreement.
- **Portfolio Investment** -- This is investment which goes into the financial sector in the form of treasury bonds and notes, stocks, money market placements, and bank deposits. Portfolio investment involves neither control of operations nor ownership of physical assets. Portfolios may include equity, but portfolio investors usually do not get involved in operations. Portfolio investment is typically of a more speculative nature, responding quickly to higher returns offered elsewhere as well as to higher risks in the host economy.
- **Service Contract** -- An agreement between a TNC and a domestic company or subsidiary where the former provides the latter with assistance such as technical services procurement services and proprietary technology.
- **Subcontracting/Offshore Assembly** -- A technique used by TNCs where the manufacture of one part of a product made in a country is subcontracted in another country to take advantage of cheaper labour. The raw materials are imported from the parent company abroad and processed by a local subcontractor. The semi-finished good is exported back to the parent corporation.
- **Subsidiary** -- A company legally owned and controlled by another corporation because a majority of its shares are held by the latter. The corporation owning a majority interest is foreign, the company where the interest is held will be a foreign subsidiary.

(Excerpted from the IBON Philippines Databank and Research Center's *TNCs -- In the Thick of Everything*)⁶

Brief History of TNCs

From the Origins to the Second World War

The earliest historical origins of transnational corporations can be traced to the major colonising and imperialist ventures from Western Europe, notably England and Holland, which began in the 16th century and proceeded for the next several hundred years. During this period, firms such as the British East India Trading Company were formed to promote the trading activities or territorial acquisitions of their home countries in the Far East, Africa, and the Americas. The transnational corporation as it is known today, however, did not really appear until the 19th century, with the advent of industrial capitalism and its consequences: the development of the factory system; larger, more capital intensive manufacturing processes; better storage techniques; and faster means of transportation.

During the 19th and early 20th centuries, the search for resources including minerals, petroleum, and foodstuffs as well as pressure to protect or increase markets drove transnational expansion by companies almost exclusively from the United States and a handful of Western European nations. Sixty per cent of these corporations' investments went to Latin America, Asia, Africa, and the Middle East. Fuelled by numerous mergers and acquisitions, monopolistic and oligopolistic concen-

Over the past quarter century, there has been a virtual proliferation of transnationals. In 1970, there were some 7,000 parent TNCs, while today that number has jumped to 38,000; 90 per cent of them based in the industrialised world.

Comparison of TNCs' Foreign Affiliates' Sales with World Exports		
	1991	1992
World Sales of TNCs Foreign Affiliates	4.8	5.8
World Exports of Goods & Services	4.5	4.7

[figures in US\$ trillions]

Source: United Nations, 1994

tration of large transnationals in major sectors such as petrochemicals and food also had its roots in these years. The US agribusiness giant United Fruit Company, for example, controlled 90 per cent of US

banana imports by 1899, while at the start of the First World War, Royal Dutch/Shell accounted for 20 per cent of Russia's total oil production.⁷

Demand for natural resources continued to provide an impetus for European and US corporate ventures between the First and Second World Wars. Although corporate investments from Europe declined somewhat, the activities of US TNCs expanded vigor-

ously. In Japan, this period witnessed the growth of the zaibatsu (or "financial clique") including Mitsui and Mitsubishi. These giant corporations, which worked in alliance with the Japanese state, had oligopolistic control of the country's industrial, financial, and trade sectors.

FDI Outflows from the Five Major Home Countries (1982-1994)

Country	1982-86 [annual average]	1987-91	1990	1991	1992	1993	1994
France	3	20	35	24	31	21	25
Germany	6	18	29	23	16	15	15
Japan	7	35	48	31	17	14	18
United Kingdom	10	28	19	16	19	26	27
USA	11	28	30	31	41	58	56
Total	37	129	161	125	124	134	141
Total All Countries	55	192	239	191	194	193	204

[Figures in US\$ billions]

Source: United Nations, 1994

1945 to the Present

US TNCs heavily dominated foreign investment activity in the two decades after the Second World War, when European and Japanese corporations began to play ever greater roles. In the 1950s, banks in the US, Europe, and Japan started to invest vast sums of money in industrial stocks, encouraging corporate mergers and furthering capital concentration. Major technological advances in shipping, transport (especially by air), computerisation, and communications accelerated TNCs' increasing internationalisation of investment and trade, while new advertising capabilities helped TNCs expand market shares. All these trends meant that by the 1970s oligopolistic consolidation and TNCs' role in global commerce was of a far different scale than earlier in the century. Whereas in 1906 there were two or three leading firms with assets of US\$500 million, in 1971 there were 333 such corporations, one-third of which had

assets of US\$1 billion or more. Additionally, TNCs had come to control 70-80 per cent of world trade outside the centrally planned economies.⁸

Over the past quarter century, there has been a virtual proliferation of transnationals. In 1970, there were some 7,000 parent TNCs, while today that number has jumped to 38,000. 90 percent of them are based in the industrialised

Foreign Direct Investment (FDI) and Portfolio Investment (PI) Inflows to Africa, Asia, and Latin America (1986-92)

Region	1986-90 [annual average]	1991	1992
Africa			
FDI	2.6	2.5	2.9
PI	--	--	0.1
Latin America & the Caribbean			
FDI	6.4	12.4	14.5
PI	--	8.9	5.5
Western Asia			
FDI	0.3	0.5	0.3
PI	--	--	--
South, East & Southeast Asia			
FDI	7.5	14.5	21.1
PI	2.2	4.3	8.1
Total	19	43.1	52.5

[Figures in US\$ billions]

Source: United Nations, 1994

world, which control over 207,000 foreign subsidiaries. Since the early 1990s, these subsidiaries' global sales have surpassed worldwide trade exports as the principal vehicle to deliver goods and services to foreign markets.

The large number of TNCs can be somewhat misleading, however, because the wealth of transnationals is concentrated among the top 100 firms which in 1992 had US\$3.4 trillion in global assets, of which approximately US\$1.3 trillion was held outside their home countries. The top 100 TNCs also account for about one-third of the combined outward foreign direct investment (FDI) of their countries of origin. Since the mid-1980s, a large rise of TNC-led foreign direct investment has occurred. Between 1988 and 1993, worldwide FDI stock -- a measure of the productive capacity of TNCs outside their home countries -- grew from US\$1.1 to US\$2.1 trillion in estimated book value.

There has also been a great increase in TNC investment in the less-industrialized world since the mid-1980s; such investment, along with private bank loans, has grown far more dramatically than national development aid or multilateral bank lending. Burdened by debt, low commodity prices, structural adjustment, and unemployment, governments throughout the less-industrialised world today view TNCs, in the words of the British magazine *The Economist*, as "the embodiment of modernity and the prospect of wealth: full of technology, rich in capital, replete with skilled jobs."⁹ As a result, *The Economist* notes further, these governments have been "queuing up to attract multinationals" and liberalising investment restrictions as well as privatising public sector industries.¹⁰ For TNCs, less-industrialised

countries offer not just the potential for market expansion but also lower wages and fewer health and environmental regulations than in the North.

Thus, in 1992 foreign investment into less-industrialised nations was over US\$50 billion; the figure had jumped to US\$71 billion in 1993 and US\$80 billion in 1994. In 1992-93, less-industrialised countries accounted for between one-third and two-fifths of global FDI inflows -- more than at any time since 1970. These flows have not been evenly distributed, however, with just ten host recipients—the majority in Asia—accounting for up to 80 percent of all FDI to the less-industrialised world.¹¹

Problems Arising from TNCs

Intra-Company Trade and Manipulative Price Transfers

The post-Second World War period witnessed not merely a rise in TNCs' control of world trade, but also growth of trade within related enterprises of a given corporation, or "intra-company" trade. While intra-company trade in natural resource products has been a feature of TNCs since before 1914, such trade in intermediate products and services is mainly a phenomenon of recent decades. By the 1960s, an estimated one-third of world trade was intra-company in nature, a proportion which has remained steady to the present day. The absolute level and value of intra-company trade has increased considerably since that time, however. Moreover, 80 per cent of international payments for technology royalties and fees are made on an intra-company basis.¹²

Problems stemming from intra-company trade concern TNCs' ability to

maximise profits by avoiding both market mechanisms and national laws with an instrument of internal costing and accounting known as "transfer pricing." This is a widespread technique whereby TNCs set prices for transfers of goods, services, technology, and loans between their worldwide affiliates which differ considerably from the prices which unrelated firms would have had to pay.

There are many benefits TNCs derive from transfer pricing. By lowering prices in countries where tax rates are high and raising them in countries with a lower tax rate, for example, TNCs can reduce their overall tax burden, thus boosting their overall profits. Virtually all intra-company relations including advisory services, insurance, and general management can be categorised as transactions and given a price; charges can as well be made for brand names, head office overheads, and research and development. Through their accounting systems TNCs can transfer these prices among their affiliates, shifting funds around the world to avoid taxation. Governments, which have no way to control TNCs' transfer pricing, are therefore under pressure to lower taxes as a means of attracting investment or keeping a company's operation in their country. Tax revenue which might be used for social programs or other domestic needs is thus lost.

Moreover, in countries where there are government controls preventing companies from setting product retail prices above a certain percentage of prices of imported goods or the cost of production, the firms can inflate import costs from their subsidiaries and then impose higher retail prices. Additionally, TNCs can use overpriced imports or underpriced exports to circumvent governmental ceilings on profit repatriation, causing nation-states to suffer large foreign

exchange losses. For instance, if a parent company has a profitable subsidiary in a country where the parent does not wish to re-invest the profits, it can remit them by overpricing imports into that country. During the 1970s, investigations found that average overpricing by parent firms on imports by their Latin American subsidiaries in the pharmaceutical industry was 155 per cent, while imports of dyestuffs raw materials by Indian TNC affiliates were being overpriced between 124 and 147 percent.¹³

Influence in Nations' Political Affairs

TNCs' influence over countries, particularly those in the less-industrialised world, has not been manifest solely in sheer economic power or manipulative price transfers. Such influence has also been reflected in corporations' willingness and ability to exert leverage directly by employing government officials, participating on important national economic policy making committees, making financial contributions to political parties, and bribery. Furthermore, TNCs actively enlist the help of Northern governments to further or protect their interests in less-industrialised nations, assistance which has sometimes involved military force. In 1954, for instance, the US launched an invasion of Guatemala to prevent the Guatemalan government from taking (with compensation plus interest) unused land of United Fruit Company for redistribution to peasants.¹⁴

Perhaps the most notorious example of TNCs' meddling in the political affairs of a sovereign state, however, occurred in the early 1970s, when International Telephone and Telegraph (ITT) offered the US Central Intelligence Agency US\$1 million

to finance a campaign to defeat the candidacy of Salvador Allende in Chilean national elections. Though this offer was refused, and Allende democratically elected, ITT continued to lobby the US government and other US corporations to promote opposition to Allende through economic pressure including the cutoff of credit and aid and support of Allende's political rivals. After copper mines in Chile owned by the firms Kennecott and Anaconda were nationalised, the US government took a series of steps based largely on the recommendations of ITT to subvert Allende.¹⁵

Disclosure of ITT's efforts to overthrow Allende helped prompt initiatives in the United Nations to draft a TNC Code of Conduct to establish some guidelines for corporate behaviour. This move was part of more general concern about the extent of corporations' economic and political influence which

emerged in the 1960s and 1970s, and which led some less-industrialised countries to demand that TNCs divest from certain sectors or to require changes in the terms of a company's investment. Yet such developments have been minor and temporary obstacles to the augmentation of TNCs' economic power, and overall the past three decades have been characterised by increased regional economic integration, the liberalisation of many international markets, and the opening up of new areas such as Central and Eastern Europe.

In 1954, the US launched an invasion of Guatemala to prevent the Guatemalan government from taking unused land of United Fruit Company for redistribution to peasants.

TNCs and International Politics

Especially since the 1980s, TNCs' involvement at international political negotiations and fora has accompanied and encouraged the rise of global corporate economic power. In an effort to reduce barriers to trade and investment capital flows in the last decade, TNCs have lobbied vigorously to shape to their liking Europe's Single Market agreement, the North American Free Trade Agreement (NAFTA), and the Uruguay Round of the General Agreement on Tariffs and Trade

(GATT). For TNCs, so-called free trade lessens governmental restrictions on their movement and ability to maximise returns. "The deregulation of trade aims to erase national boundaries insofar as these affect economic life," economists Herman Daly and Robert Goodland have noted. "The policy-making strength of the nation is

thereby weakened, and the relative power of TNCs is increased."¹⁶

For example, rules established in the GATT's recently concluded Uruguay Round regarding trade-related intellectual property rights (TRIPs) and trade-related investment measures (TRIMs) will be of particular benefit to TNCs. The first gives corporations greater capacity to privatise and patent life forms, including plant and other genetic resources of less-industrialised nations and peoples. TRIMs render illegal certain measures which countries— notably Southern nations—have employed to

encourage TNCs to establish linkages with domestic firms. TRIPs, TRIMs, and other GATT rules fall under the authority of the World Trade Organisation (WTO), a new supranational body which works with the World Bank and other financial institutions to manage global economic policy to serve transnational corporate interests.¹⁷

In another demonstration of transnationals' growing political might, and perhaps the most striking example to date of organised corporate lobbying on the world stage, TNCs' efforts at the 1992 United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro undermined sections of the Summit's key documents. And well before the Summit took place, TNC pressure had led to the removal from UNCED materials proposals to regulate the practices of global corporations.¹⁹

This success in Rio underscores a broader issue: although TNCs are collec-

tively the world's most powerful economic force, no intergovernmental organisation is charged with regulating their behaviour. United Nations efforts to monitor and to some extent address TNCs' impacts, notably through the UN's Centre on Transnational Corporations (CTC), have recently been decimated. Under a 1992 restructuring, the CTC lost its independent status, and in 1993 it was dismantled and a 17-year attempt to negotiate the aforementioned Code of Conduct on TNCs was abandoned. A new Division on Transnational Corporations and Investment emerged—with the aim of promoting foreign direct investment.

TNCs, Human Health, and the Environment

The unwillingness or inability of national governments to control TNCs in a period of deregulated global trade and investment does

Royal Dutch/Shell in Nigeria

The presence of Royal Dutch/Shell and a handful of other top oil TNCs has devastated the environment in southern Nigeria, jeopardised the livelihoods of local peoples such as the Ogoni, and led to severe human rights abuses by the Nigerian government, which receives 80 per cent of its revenues from oil. Because of the operations of Shell, which account for half those revenues, as well as the other TNCs, oil pipelines run above ground through villages

and agricultural areas and gas is flared continuously near human settlements. The Ogoni are rapidly losing their ability to farm and fish in the area, and many Ogoni youth are leaving the community to seek employment elsewhere.

The Ogoni have long challenged the oil TNCs, especially Shell, over the ecological degradation and its social consequences. In recent years, the Ogonis' peaceful protests have led to violent and repressive responses by Nigeria's military including

human rights violations such as extra-judicial executions and imprisonment of activists, according to Amnesty International. Shell admits that it has asked for the military's assistance in quelling the agitations. Moreover, a 1994 Amnesty investigation notes that one Nigerian military commander "is reported to have boasted openly of his proficiency in killing people and of payments made to himself and his men by Shell to protect oil installations."²¹

How Free Trade Helps TNCs

In 1994, the European Union (EU) extended until the beginning of the next century a moratorium on Bovine Growth Hormone (BGH), a biotechnological product developed by the US TNC Monsanto and designed to increase cows' milk production. The reason behind the European Union's caution is simple: many countries have not approved BGH's use because its risks have not been fully investigated. However, the moratorium has come under fire since the completion of GATT's Uruguay Round. GATT allows a country to challenge another country's domestic law if that law is seen as a barrier to trade, and a forthcoming challenge to the EU moratorium is likely.¹⁸

not bode well for people's health or the environment. TNC operations routinely expose workers and communities to an array of health and safety and ecological dangers. All too often these operations erupt into disasters such as the gas release at the Indian subsidiary of the US-based corporation Union Carbide in Bhopal.

To regard such tragedies only as "accidents," however, distracts attention from the larger, inherent harm to the planet and its inhabitants TNCs' industrial development strategies cause. For example, TNC activities generate more than half of the greenhouse gases emitted by the industrial sectors with the greatest impact on global warming. TNCs control 50 percent of all oil extraction and refining, and a similar proportion of the extraction, refining, and marketing of gas and coal. Additionally, TNCs have virtually exclusive control of the production and use of ozone-destroying chlorofluorocarbons (CFCs) and related compounds.²⁰

In destructive minerals extraction, TNCs still dominate key industries. In aluminum, for example, just six companies account for 63 per cent of the mine capacity, 66 per cent of the refining capacity, and 54 per cent of the smelting capacity. Four TNCs account for half the world's tin smelting capacity.²² With respect to their influence on global agriculture, TNCs control 80 per cent of land worldwide which is cultivated for export-oriented crops, often displacing local food crop production.²³ Twenty TNCs account for about 90 per cent of the sales of hazardous pesticides.²⁴ Additionally, because TNCs control much of the world's genetic seed stocks as well as finance the bulk of biotechnology research worldwide, they are poised to reap large financial rewards from patenting life forms.

TNCs also manufacture most of the world's chlorine — the basis for some of the most toxic, persistent, and bioaccumulative synthetic chemicals known, such as PCBs, DDT, dioxins and furans, chlorinated solvents, and thousands of other organochlorine compounds. These chemicals' impacts on health include: immune suppression; birth defects; cancer; reproductive developmental, and neurological harm; and damage to the liver and other organs. As a group, TNCs lead in the export and import of products and technologies that have been controlled or banned in some countries for health and safety reasons. For instance, 20 per cent of total pesticide exports by TNCs from the US in the late 1980s were chemicals that were banned, unregistered, canceled, or withdrawn in the US itself.²⁵ And a handful of Northern companies are responsible for the nuclear technology now found at plants in South America and Asia.

TNCs and their business associ-

tions claim that deregulated trade and investment will produce enough growth to end poverty and generate resources for environmental protection. The unrestricted free trade and investment-based growth beloved by TNCs, however, is the same kind of development which has led to overexploitation of land and natural resources, air, water, and soil pollution, ozone depletion, global warming, and toxic waste generation. As economists Herman Daly and Robert Goodland observe: "The dream that growth will raise world wages to the current rich country level, and that all can consume resources at the U.S. per capita rate, is in total conflict with ecological limits that are already stressed beyond sustainability."²⁷

TNCs and Occupational Safety

There have been many instances of TNCs failing to control industrial hazards at their facilities in less-industrialised nations as thoroughly as in their home countries. The situation in Bhopal, where comparison of operations of Union Carbide's Indian subsidiary and a similar plant in the US has revealed many double standards, is only the most infamous example of what the Industrial Labour Organisation acknowledges is a prevailing trend: "In comparing the health and safety performance of home-based [TNCs] with that of the subsidiaries, it could generally be said that the home country operations were better than those of subsidiaries in the developing countries."²⁸ The case of the German TNC Bayer's chromate production factory in South Africa is illustrative. Chromate is a corrosive compound which can cause respiratory illness including lung cancer. Bayer has owned the facility, Chrome Chemicals, since 1968. In 1976,

Hoechst in the Philippines

Even when governments try to establish safety restrictions on hazardous corporate products, TNCs often work to thwart such efforts. The German chemical giant Hoechst, for example, has for several years doggedly challenged a ban on the pesticide *endosulfan*, which the company manufactures, ordered by the Philippines' Fertilizer and Pesticide Authority. *Endosulfan* is the leading cause of pesticide poisonings in the Philippines. Because of its pressure, Hoechst obtained a reversal of the ban from a Regional Trial Court. In 1994, the Philippines Supreme Court upheld the Fertiliser and Pesticide Authority, effectively banning *endosulfan* except in products with less than five per cent concentration. In response, Hoechst sent two letters to the Philippine President requesting the formation of a new review committee and saying that its decision to remain in the Philippines was at stake.²⁸

a South African government report noted health problems in nearly half the plant's employees which were related to their work and which, it said, "are extremely disturbing and would appear to indicate a lack of concern regarding the physical welfare of the workers."²⁹

In 1990, a trade union learned that several workers had developed lung cancer, although none had been informed that the disease might be related to their employment. Chrome Chemicals management refused the union's request to review the plant's industrial hygiene records, and in 1991 the firm shut down much of its operation and laid off most of its workers. In South Africa, lung cancer was not added to the list of compensable occupational diseases until 1994, and Bayer has so far refused to provide compensation to a growing number of

General Motors and Job Cuts

To reduce costs, the US's leading automaker General Motors is laying off tens of thousands of workers in the US — 30,000 in the late 1980s and a planned 75,000 by the mid-1990s. Frequently, the company shifts facilities to Mexico and other countries where wages are a fraction of those in the US, but sometimes the movement occurs within the US. For instance, GM had promised to keep a particular plant running in the state of Michigan in return for tax abatements of US\$13.5 million the local township had granted in 1984 and 1988. In late 1992, however,

GM announced it was closing the facility, adding an extra shift at a plant in the state of Texas, and cutting 4,500 Michigan jobs.

The township took GM to court. In February 1993, a local judge ruled in the Michigan town's favour, placing the rights of the community over those of the company. "There would be a gross inequity and patent unfairness," the judge asserted, "if General Motors, having lulled the people... into giving up millions of tax dollars which they so desperately need to educate their children and provide basic governmental services, is allowed to simply decide that

it will desert 4,500 workers and their families because it thinks it can make these same cars a little cheaper somewhere else."³³

In August and September 1993, however, two higher courts reversed this February ruling. According to the attorney who represented the Michigan town, the failure of the higher courts to side with the towns people "allows corporations like GM to continue to practice deceit and dishonesty and to bamboozle communities when they seek tax subsidies in exchange for creation of employment."³⁴

former employees at Chrome Chemicals who have developed lung cancer. Bayer could not get away with this in Germany, where as early as 1936 lung cancer was considered a compensable occupational disease for chromate workers. Indeed, German compensation authorities consider any labourer with more than three months of chromate work eligible for compensation if lung cancer develops subsequently.³⁰

TNCs and Employment

In an era of declining constraints on their mobility and the attraction of cheaper wages in less-industrialised nations eager to draw foreign investment, TNCs are eliminating jobs in their home countries and shifting production abroad. Although overall TNCs' employment in their home countries has

changed little in the last decade, among the 300 largest corporations employment in 1989 was lower than it had been in 1980. US-based TNCs have eliminated jobs especially vigorously. Between 1982 and 1993, for example, US TNCs cut over three-quarters of a million jobs at home but added 345,000 jobs outside the United States.³¹ For workers in the US and other industrialised countries, TNCs' increased willingness to move operations to lower wage areas along with their greater use of automation, subcontractors, and part-time labour have rendered the strike relatively ineffective and undermined trade unions' collective bargaining power. In the US, there were one-tenth the number of strikes in 1993 as in 1970, and only 12 per cent of the US workforce is currently unionised, a lower proportion than in 1936.³²

World FDI Stock and TNCs' Estimated Employment, 1975-1992

(millions of US\$ and millions of employees)

	1975	1985	1990	1992
Outward FDI Stock	282	674	1649	1932
Estimated Employment in TNCs	40	65	70	73
Employment in Parent Companies at Home	--	43	44	44
Employment in Foreign Affiliates (Total)	--	22	26	29
Industrialised Countries	--	15	17	17
Less-Industrialised Countries	--	7	9	12

Source: United Nations, 1994

In less-industrialised regions, the lure for TNCs of fewer costs and regulations offers little promise to workers of decent working conditions, sufficient pay, or job security. Tax breaks and subsidies governments use as incentives are no guarantee that the TNCs will not move on after the benefits have expired, and as cost advantages now found in Singapore appear in, say, Bangladesh, the countries currently experiencing an influx of investment may eventually find themselves in the same position as that of the US and other industrialised nations today.

More fundamentally, as Richard Barnett has emphasised, the transnational corporate order cannot begin to solve the chronically severe unemployment problems in Asia, Latin America, and Africa, where an estimated 38 million new job seekers enter the labor market annually.³⁵ A comparison of the growth in TNCs' outward foreign investment stock worldwide and their estimated global direct employment in recent decades lays this fact bare. Between 1975 and 1992, outward FDI stock increased almost seven times, whereas TNCs' employment did not even double. In less-

industrialised countries, TNCs added only five million employees between 1985 and 1992.³⁶ ■

Notes

1. "Everybody's Favourite Monsters," *The Economist*, Survey of Multinationals, 27 March 1993.
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4. *Hoover's Handbook of World Business 1993*, The Reference Press, Inc., Austin, Texas, 1993.
5. Yitzhak Hadari, "The Structure of the Private Multinational Enterprise," *Michigan Law Review*, 71, March 1973, pp. 731-806.
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8. Frederick Clairmonte & John Cavanagh, *The World in Their Web The Dynamics of Textile Multinationals*, Zed Press, London, 1981, pp. 5-6.
9. "Everybody's Favourite Monsters," op cit.

10. Ibid.

11. For the facts and figures on TNCs and FDI in this section, see: "Trends on Foreign Direct Investment -- Report by the UNCED secretariat," Commission on Transnational Corporations, 20th session, E/C.10/1994/2, 11 March 1994; World Investment Report 1994 -- Transnational Corporations, Employment and the Workplace, UNCTAD Division on Transnational Corporations and Investment, Geneva, 1994, chapter 1; "Ongoing and Future Research: Transnational Corporations and Issues Relating to the Environment," United Nations Centre on Transnational Corporations, 5-14 April 1989, p. 5; and "Activities of the Transnational Corporations and Management Division and Its Joint Units," E/C.10/1993/7, Commission on Transnational Corporations, 19th session, 5-15 April 1993, p. 12.

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TNCs and Foreign Investment in India

Independence to 1980

During the three decades after India gained political independence in 1947, the Indian Government displayed a “stop-and-go” attitude towards foreign capital and its institutional form, transnational corporations. On the one hand, the Government sought to establish limits on the areas of industrial activity in which TNCs’ could operate, and also to restrict the degree of foreign ownership of those operations. On the other hand, the Government wanted to draw foreign investment in the hope that it would provide technology and capital for industrialisation as well as boost foreign exchange reserves. Usually, the latter considerations prevailed. Initial post-independence hostility to foreign capital quickly changed to toleration. This was reflected in the shift from the Government’s first Industrial Policy Statement of 1948, which maintained that only Indians should hold effective control of industrial concerns, to a 1949 statement which stated that the “Government would not object to foreign control of a concern for a limited period.”¹

Transnationals’ investment steadily increased in subsequent years. Between 1948 and 1959, for example, the value amount of foreign investment in India more than doubled. In the manufacturing sector foreign investment tripled, with noteworthy increases in transport equipment, machinery, and chemicals and allied products. During the same decade, the share of the manufacturing sector in the total foreign capital increased from 28 to 38 percent. Foreign investment in petroleum grew almost seven

times, with its share in the total foreign capital jumping from nine per cent to 26 per cent. A small number of foreign companies rose to prominence in these years, including Firestone, Dunlop, and Bata Shoe Company. Hindustan Lever, subsidiary of the TNC Unilever, became India’s biggest manufacturer of food products and toilet articles.²

By the mid-1960s TNCs had assumed a dominant role in Indian big business, thanks partly to depleting foreign exchange reserves which had encouraged the Government to liberalise its stance towards foreign investors. In 1966, of the largest 112 corporations in India (by assets), 62 were foreign owned or controlled. The assets of these 62 accounted for 54 per cent of the assets of all 112 companies. Moreover, many Indian firms were involved in technical collaborations with TNCs, and were dependent on them for machinery and spare parts. TNC dominance was particularly evident in India’s pharmaceutical sector, where by the early 1970s 80 per cent of production was controlled by foreign corporations including giants such as Ciba, Glaxo, Pfizer, Hoechst, and Bayer.³

After devaluation of the rupee in 1966, which enhanced the rupee value of foreign currencies and allowed TNCs to establish operations in India with a relatively lower foreign exchange commitment, FDI inflows increased considerably, further strengthening transnationals’ position in Indian industry.

While foreign investment inflows slowed after 1970, FDI continued to rise as TNCs reinvested profits which Indian foreign exchange rules prevented the TNCs

from repatriating. Such rules notwithstanding, TNCs -- especially US corporations which were rapidly expanding in India -- profited handsomely from their investments. However, TNCs' profit and dividend repatriation as well as remittances of fees, royalties, and interest constituted a severe drain on Indian foreign exchange resources.

Concern about this drain and foreign economic domination generally led the Indian Government to pass the Foreign Exchange Regulation Act (FERA) in 1973. Among other measures, the FERA required foreign companies (with some exceptions) to dilute their non-resident shareholding to 40 per cent, essentially "Indianising" TNCs' subsidiaries. While some transnationals, most famously IBM and Coca-Cola, refused to abide by the FERA and took their operations out of India several years after its implementation, most TNCs chose to stay and sold their shares to Indians. These TNCs actually benefitted because their newly "Indianised" affiliates were able to expand and diversify without any of the restrictions which had applied to foreign firms, notably those which had limited foreigners' access to certain industrial sectors. Moreover, the FERA regulators usually permitted the TNCs to issue fresh shares rather than sell the foreign-held shares to Indians, thereby promoting a wide dispersal of the new shareholdings and allowing the TNCs to retain unchallenged managerial control.⁴

Some analysts have suggested another reason why the majority of transnationals complied with the FERA, namely that it offered them a defensive strategy at a point when TNCs were coming under criticism about the extent of their economic sway and political influence (*see Chapter 1*). By offering Indians a stake in

their business, the TNCs were trying to legitimise their presence and protect their interests. "This is the functional role of the strategy of Indianisation," economist Dalip S. Swamy wrote in 1980. "It helps them [TNCs] to avoid the potential risk of being expropriated, to diversify their operations in the host country with local participation, and to release some capital which can be deployed in their parent countries or elsewhere for joint collaboration."⁵ Given the advantages the FERA presented to TNCs, it is unsurprising that a year after the Act's passage the Indian Government approved a record number of foreign licensing and equity joint venture proposals, with most of the approvals going to US-based companies, or that foreign investment had increased from 1973.

The 1980s

Just as the FERA began to be implemented, a doubling of crude oil prices on the international market in the late 1970s caused India's annual oil import bill almost to quadruple, creating an immediate and acute foreign exchange crisis. In response, the Indian Government applied for and received what was the largest loan in the country's history from the World Bank/International Monetary Fund (IMF). This multi-billion dollar loan carried requirements which worked powerfully to TNCs' advantage. As part of an "adjustment program" on which the loan was conditioned, the Government ended support to public sector industries. The Government also increased the number of industrial areas in which TNCs could invest; this included allowing public enterprises to enter into collaborations (with equity ownership) with transnationals. Imports of commodities

Foreign Investment Flows into India after 1991

(in million US\$)

	1991-92	92-93	93-94	94-95 (to date)
1. Foreign Direct Investment (Approvals)	150	341	620	756
2. Portfolio Investment (Actual)	8	92	3493	3141
Total	158	433	4113	3897

Source: *Economic Survey, 1994-95*, Government of India 1995.

and technology were liberalised. TNCs were permitted to increase their foreign equity, and export- and technology-oriented units were allowed 100 per cent foreign equity. TNCs were also allowed to place these export units anywhere in India. Additionally, the Government instituted other measures such as reducing corporate income tax which encouraged foreign investment.⁶

The result of these and other liberalising changes was a near three-fold increase in foreign collaborations, and an eleven-fold rise in Government approved foreign investment, between 1981 and 1985. Many TNCs including Suzuki, DuPont, Mitsubishi, Goodyear, and Seiko entered India during these years. While foreign collaborations declined slightly in the latter half of the 1980s, they were still at levels far above those before 1984, and between 1980 and 1989 overall, the number of foreign collaborations more than doubled. Especially after 1985, US-based corporations accounted for the largest value amount of foreign investment as TNCs such as Westinghouse, Xerox, United Technologies,

and Honeywell began collaborating with Indian firms.⁷

Increasing participation of the TNCs in this phase did not however lead to a decrease in the foreign exchange crunch. The strains on the economy increased as the larger imports effected by the TNCs led to an increase in trade imbalances. Compounding this problem was a dramatic escalation of the burden of external debt servicing. By 1990, a worsening balance of payments deficit had left the Indian Government with another serious financial crisis.⁸ (Balance of payments is a record of all payments made and received by nationals of a country to and from foreigners. When outflows are greater than inflows, there is a balance of payments deficit.)

The 1990s

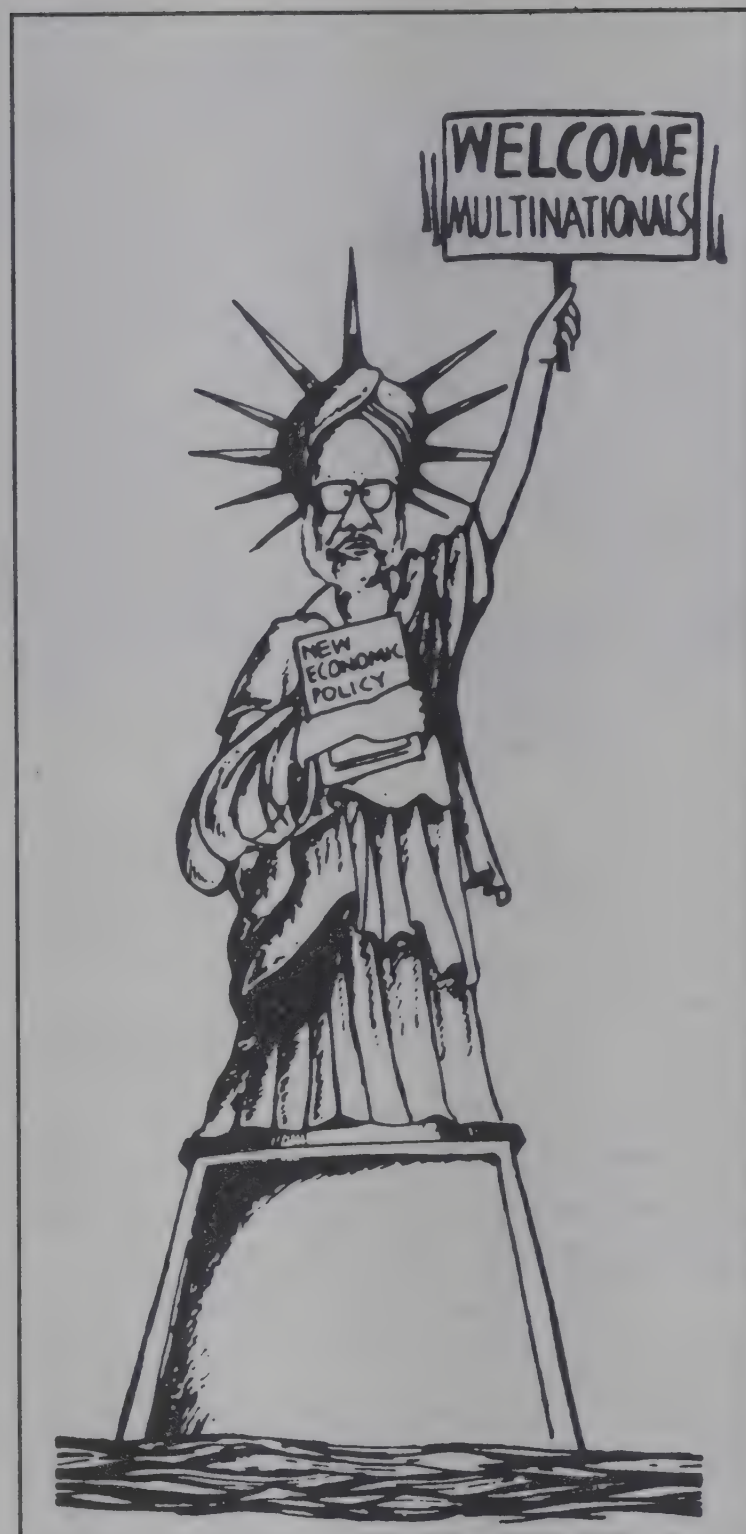
In the wake of the 1990 balance of payments crisis, the Indian Government again looked to the World Bank for assistance. Along with a loan it provided in 1991, the World Bank and IMF also dictated implementation of a structural adjustment programme (SAP) for India. Integral to this programme has been the promotion of foreign investment, and consequently the Government has come out with many policy measures to attract foreign investors in the past four years. These policy measures include:

1. Automatic approval for foreign investment upto 51 percent equity in 34 industries.
2. A powerful Foreign Investment Promotion Board was set up to process applications in cases not covered by automatic approval.
3. Existing companies with foreign equity can raise it to 51 per cent. A number of

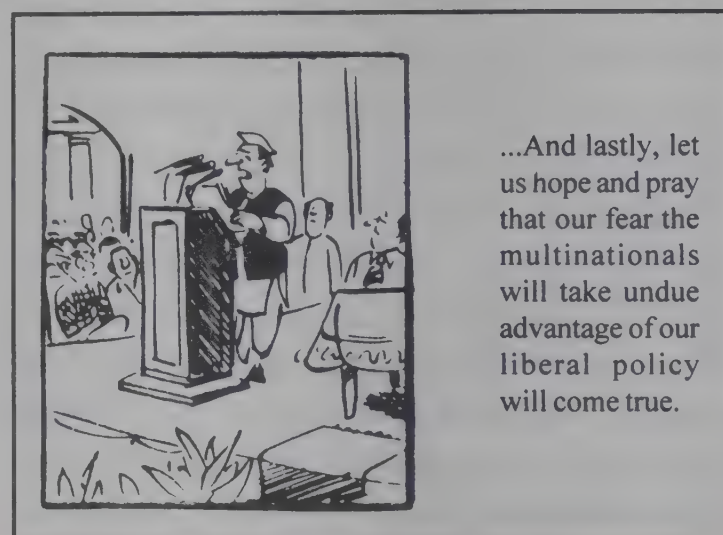
TNCs have subsequently increased their equity to 51 per cent in order to gain total control.

4. In certain additional areas, foreign corporations with 100 per cent equity have been allowed.
5. India signed the Multilateral Investment Guarantee Agency Protocol for the protection of foreign investments.
6. Provisions of the Foreign Exchange Regulation Act (FERA) were liberalised. As a result, companies with more than 40 per cent of foreign equity are also now treated on par with Indian-owned companies.
7. Foreign companies have been allowed to use their trademarks on domestic sales.
8. Foreign Institutional Investors (FIIs, which are foreign financial companies involved in bulk sales and purchases of stocks) are permitted to invest in Indian capital markets.
9. The unification of the exchange rate and the removal of exchange restrictions on imports has been allowed.
10. Import duties on capital goods have been drastically reduced which would give great options to foreign investors intending to invest in India.
11. The Government decided to extend counter-guarantees to the eight "fast-track" power projects with foreign investments (the Enron deal was one of these projects).

As a consequence of these policy measures, foreign investment in India has increased many fold since 1991. It is important to note as well that the nature of foreign investments in India has changed significantly. Prior to 1991, virtually all investments or technological transfers by TNCs came as foreign direct investment (FDI), not



Courtesy: Salam / B.P.O.



Courtesy: Laxman / The Times of India

Banking for Foreign Investment

Any analysis of India's policies towards TNCs and foreign investment in general would remain incomplete without the mention of the role played by major international institutions such as the World Bank and International Monetary Fund (IMF) in facilitating foreign investment in India. Although India's relationship with the World Bank dates back to 1944, when the Bank was established, the Bank's influence on India's economic policy-making was not as important as it became in the 1980s and 1990s. But the recent implementation of stabilisation measures and the structural adjustment programme funded largely by the Bank has significantly influenced the Government's economic policy-making.

There has of course been continuity in the basic philosophy of the Bank with respect to foreign investment. The form in which the World Bank wanted foreign capital to participate in the Indian economy became clear when the Indian government sought the Bank's assistance to finance the Rourkela Steel Plant in 1956. The Bank insisted that the German collaborators supplying the technology to this plant should have more leverage than had been offered.

As adequate foreign exchange reserves were available at that time, the Indian Government took a strong position and negotiations with the Bank fell through.

In 1957, however, India faced its first foreign exchange crisis and approached the World Bank for loans. Taking advantage of the vulnerability of India's economic condition, the Bank pushed its agenda of giving more scope and incentives to foreign

taken to facilitate foreign investments...."

The pressure of the Bank worked and the Indian government started to open its doors more widely to TNCs. As a result, foreign investment in India doubled during 1956-1965. In 1966, when India faced second foreign exchange crisis, the Bank again prepared an aid package consisting of devaluation of the Indian rupee and import liberalisation measures designed to encourage further the entry of foreign corporations in India. This package was agreed to on the understanding that US\$900 million of non-project aid would be provided to India. Despite implementation of the devaluation and import liberalisation measures, however, India received only US\$465 million of the promised amount. This led to the sharp public criticism of the Government as well as of the Bank.

The Bank used subsequent foreign exchange crises to continue to force the entry of foreign capital into India, most recently through the structural adjustment loans India's Government received in 1991. The Government's reform measures since 1991 are based largely on the Bank's recommendations.

"The Bank welcomes the arrangements that have been made to associate foreign firms with the construction and operation of a large number of major undertakings, but hopes that more positive measures will be taken to facilitate foreign investments..."

Eugene Black, President,
World Bank (1957)

capital. Eugene Black, President of the World Bank at the time, said: "The Bank welcomes the arrangements that have been made to associate foreign firms with the construction and operation of a large number of major undertakings, both in the public and private sector, but hopes that more positive measures will be

portfolio investment. In the pre-1991 period, no Foreign Institutional Investors (FIIs) were allowed to operate in Indian capital markets, and portfolio investment remained very low. With the implementation of new foreign investment policies which allowed FIIs to operate in Indian capital markets, portfolio investment has increased many times. Portfolio investment has risen from US\$8 million in 1991-92 to nearly US\$3.5 billion in 1993-94, and is of the same magnitude in 1994-95. Portfolio investment is volatile by its very nature (the recent Mexico currency crisis demonstrated this), and reflects the speculative behaviour of international investors rather than a sustained interest in investment in the economy. This investment is short-term and can be described as "hot money," made to derive quick capital gains from foreign exchange speculation. Portfolio

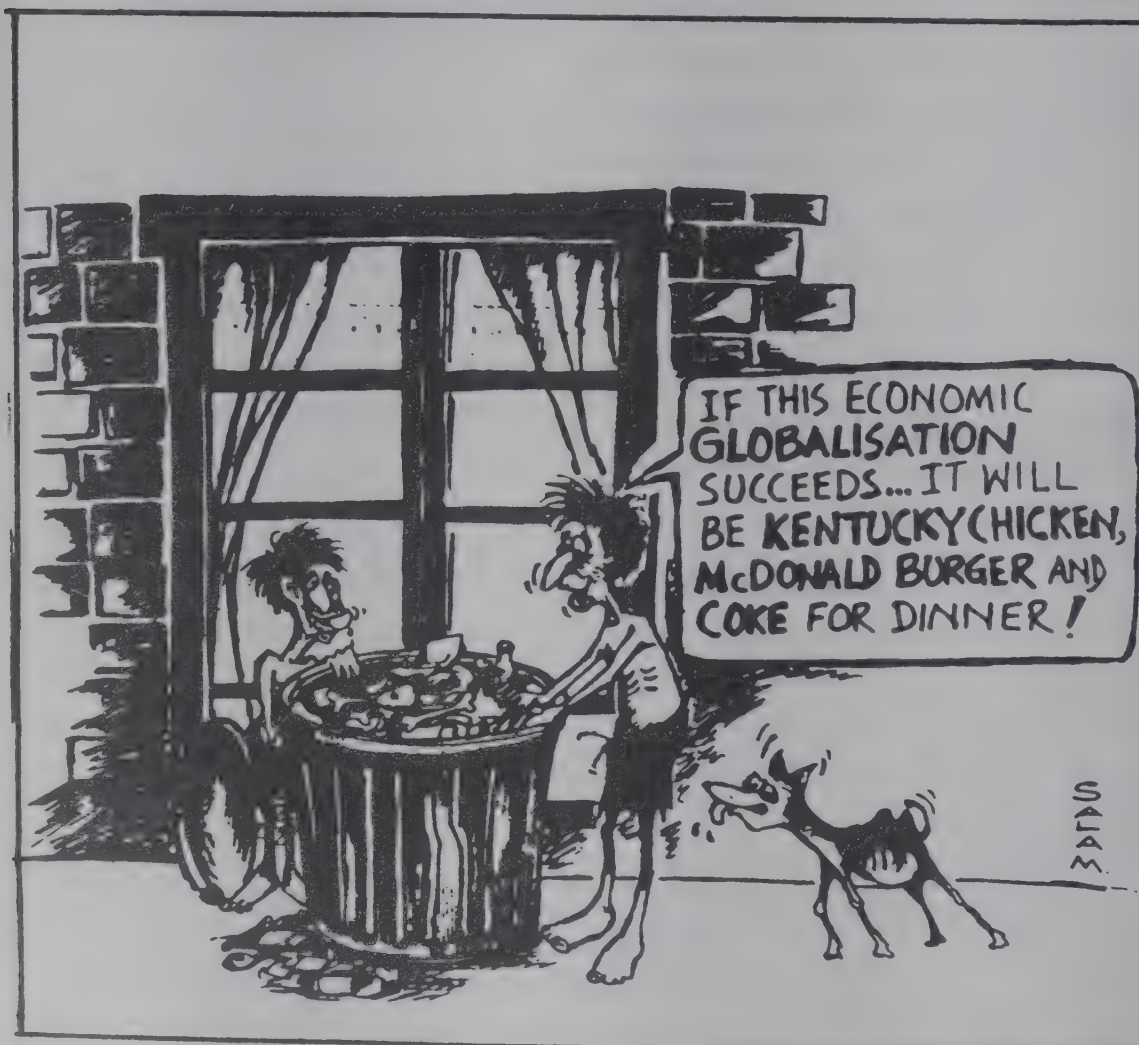
investment does not lead to the creation of new jobs and productive assets.

Regarding foreign direct investment in India, during the period 1991 to 1994 the Government approved 5778 foreign collaboration proposals, including 2806 foreign equity proposals and amounting to US\$756 million. Despite many approvals, however, only a few proposals have actually materialised, and in 1994 FDI constituted hardly 20 percent of total foreign investment.

Nonetheless, TNCs such as Coca-Cola and IBM which disinvested in the 1970s have returned to India. With the opening of industries (which were previously reserved as state sectors) such as power, telecommunications, railways, coal, and oil, new TNCs are also arriving in India. The largest capital inflows have been in the power and oil sectors. For power generation, the minimum

return guaranteed by the Indian Government is 16 per cent in dollars terms, thus protecting foreign investors from any exchange rate fluctuations between the dollar and the rupee. Moreover, other concessions and benefits will substantially increase the actual accrued returns.

With respect to oil exploration and extraction, the story is similar.



Courtesy: Salam / B.P.O.

Oil fields discovered and proven by the state sector company, Oil and Natural Gas Commission (ONGC), are being handed over to TNCs such as Royal Dutch/Shell on a platter, with estimated yearly returns of 100 per cent or more on further investments. TNCs will thus earn huge profits without any risk -- or effort and cost expended on exploration. The TNCs will sell crude oil (or oil products) at import prices, while the ONGC's costs are almost half the current import prices.⁹ As a result, the TNCs' margin of profit will be very high (globally, major oil corporations such as Exxon are among the highest profit-making TNCs in the world).

Another important sector which has been the target of TNCs' foreign direct investment is the consumer industry. Although investments in this sector have been small in monetary terms, they have aroused much public outcry in India and sparked campaigns against companies such as Coke, Pepsi, and Pepsi's subsidiary Kentucky Fried Chicken. These firms repatriate huge profits, and the balance of payments impact of their relatively small investment is unlikely to be in India's long-term interest, or provide any substantial gains in the country's productive capacity.

In the rush to attract foreign investment, environmental regulations which the Government enforced in the past are now being violated. Failure to make environmental protection and sound natural resource management an integral part of foreign investment policy is leading to unsustainable rates of resource exploitation. Many TNCs with products which are hazardous to human health and the environment have been given permission to establish operations in India. For example, TNCs

which manufacture pesticides such as Dow, Atochem, Kumiaia Chemical Industries, and Mitsubishi with shrinking international markets are setting up plants in India to boost their share in the Indian agrochemicals market.¹⁰

Additionally, foreign investments in many export-oriented units are being approved aimed at earning foreign exchange for use in foreign debt repayment. These investments are being targeted primarily at fisheries, aquaculture, and agribusiness operations. Since 1991, for instance, over 100 joint ventures with foreign companies for marine fishing and fish processing, largely in deep sea areas, have been approved despite resistance from traditional fisherfolk. The fish catch along India's coast is declining, mainly due to overfishing, and such investments will not only lead to loss of traditional fishers' livelihood but also loss of domestic fish markets as well as depletion of marine resources. According to Thomas Kocherry, Chairperson of the National FishWorkers' Forum, the 100 per cent export-oriented joint ventures will deprive nearly 300 million Indian consumers of fish and displace seven and a half million fisherfolk.¹¹

Furthermore, foreign corporations are investing millions of dollars in shrimp or prawn cultivation. This has led to an unprecedented boom in commercial shrimp aquaculture in the coastal belts of Tamil Nadu, Andhra Pradesh, and Orissa, where nearly 75,000 hectares are being used shrimp aquaculture. In order to earn quick foreign exchange, the State and Central Governments have ignored the long-term negative consequences of aquaculture on the livelihoods of people and the environment. Land used for prawn farming for just ten

Who Approves ?

In India, there is no separate department or Ministry which exclusively gives approval to foreign investments. Till 1991, there were two agencies involved in granting approvals namely, Secretariat of Industrial Approvals (SIA) under the control of Ministry of Industry and Reserve Bank of India (RBI). However, in 1991, the Government set up Foreign Investment Promotion Board (FIPB) to approve those applications which do not come under the preview of automatic approval by SIA and RBI. For instance, the permission to TNCs like Coca-cola, Pepsi and Sony to set up 100 percent holding companies in the country has been given by FIPB. During August 1991-May 95, the FIPB approved 1800 foreign collaboration applications involving foreign investment, nearly 60% of the total number of approvals. As FIPB is part of the Prime Minister's Office, it has become more and more powerful and centralised. Many critics argue that as foreign investment is a part of industrial promotion and, therefore, should be brought under the control of Ministry of Industry. The number of members on the Board is too small which consists of only four bureaucrats — Commerce Secretary, Finance Secretary, Industry Secretary, and Cabinet Secretary with Principal Secretary to PM as Chairman. There is no representation of members of Parliament, political parties, NGOs, industry, trade unions, citizen groups and others on the Board. Unless the FIPB is decentralised and restructured, foreign investment projects which have adverse impacts on economy, people and environment, (like *Enron and Cogentrix*) will continue to be approved by it. Already, allegations of political arm-twisting and favouritism to certain proposals have been levelled against the FIPB.

Industrywise breakup of Foreign Collaboration Approvals

August 1991 to April 1995

Sector	Total No. of Investment	% of Total
Metallurgical Industries	267	12.2
<i>Ferrous</i>	152	9.7
Fuels	131	23.0
<i>Power</i>	12	10.2
<i>Oil refinery</i>	71	10.9
Electrical machinery	1149	7.0
<i>Electrical equipment</i>	666	3.2
<i>Computer software</i>	247	2.3
Telecommunications	145	6.6
Transportation industry	279	5.3
<i>Automobile industry</i>	217	2.0
Non-electrical machinery	1147	4.4
<i>Industrial machinery</i>	626	2.6
Chemicals and allied industries	877	9.5
<i>Chemicals (other than fertilisers)</i>	712	8.5
Agro-based industries	959	13.3
<i>Food processing industries</i>	362	6.2
Construction-based industries	177	2.7
<i>Cement and gypsum products</i>	35	1.2
Financial services	202	7.9
Hotel and tourism	111	5.2
Miscellaneous industries	752	3.0
Total	6196	100.0

Source : SIA Newsletter, Ministry of Industry, Government of India, May and June, 1995

First Five States

[Foreign Investment Approvals in first five states]

August 1991 to May 1995

State	Total No. of Investment	% of Total
Maharashtra	464	16.5
West Bengal	101	10.6
Delhi	235	10.3
Tamil Nadu	275	7.0
Gujarat	143	6.9

Source : SIA Newsletter, Ministry of Industry, Government of India, May and June, 1995

years becomes barren and unproductive and cannot subsequently be used for any agricultural purposes. Such farming also leads to the degradation of coastal mangrove forests and water pollution. Farmers in Tamil Nadu are realising the long-term costs of this craze for earning foreign exchange and have recently decided to stop shrimp aquaculture. But overall in India there are plans to use one lakh (100,000) hectares for aquaculture and produce 2,00,000 tonnes of shrimp worth US\$1 million per year for export.

Deregulation of trade and investment policies has encouraged the dumping of toxic wastes as well as migration of polluting and hazardous technologies to India. Due to stronger environmental rules in many industrialised nations, polluting production processes such as chlorine manufacture are being shifted to countries such as India eager to attract any foreign investment or technology transfer. Since 1991, the Government has offered a number of concessions on taxes and custom duties to chemical industries to further support and encourage this dangerous trend, and this has suddenly created a boom in chemical industries in India. These plants are being set up in India without any proper clearance from the pollution control authorities and there is no serious concern for the safety and health of workers and communities living near the plants. A major disaster at any of these plants (such as the Bhopal gas tragedy in 1984) may well occur in the future. Unfortunately, the Bhopal tragedy set an example to TNCs that they can wash their hands of responsibility for a major industrial disaster after paying a few dollars.

With the Central Government abdicating its duty to make TNCs accountable to Indian laws and regulations

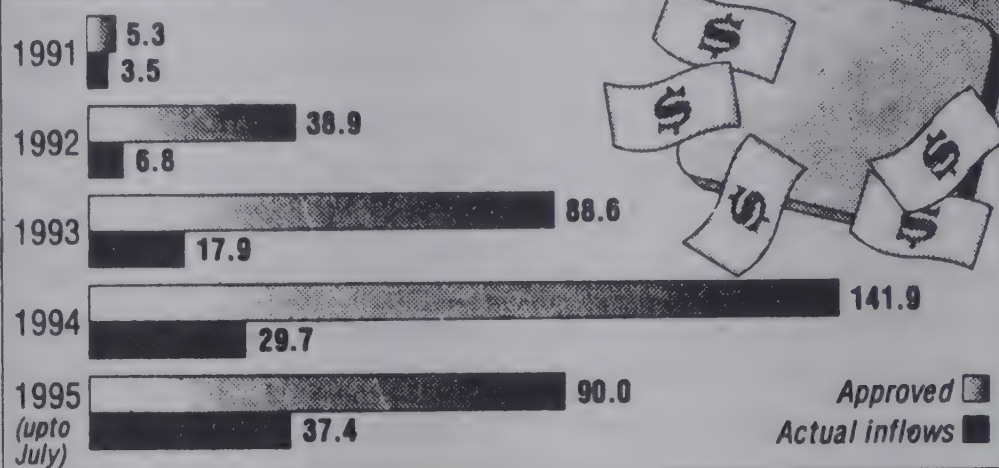
as well as to safeguard the public at large and the environment, this task has been left to citizens, activists, environmental, and other political groups. With the exception of the discussion of Union Carbide in Bhopal, which examines legal manoeuvres the TNC used to avoid accountability, the case studies in the next chapter -- about Cargill, DuPont, Nestle, Enron, and the fishing joint ventures -- will highlight the vitality of people power and civil society in India today. ■

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4. Ibid, pp. 14-15, and Anita Mathur, "Understanding India's Policy Towards Foreign Direct Investment," in Foreign Direct Investment and Technology Transfer in India, UNCTC, New York, 1992, p. 80.
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FOREIGN INVESTMENT IN INDIA

Approvals vis-a-vis Actual Inflows (in \$ billion)

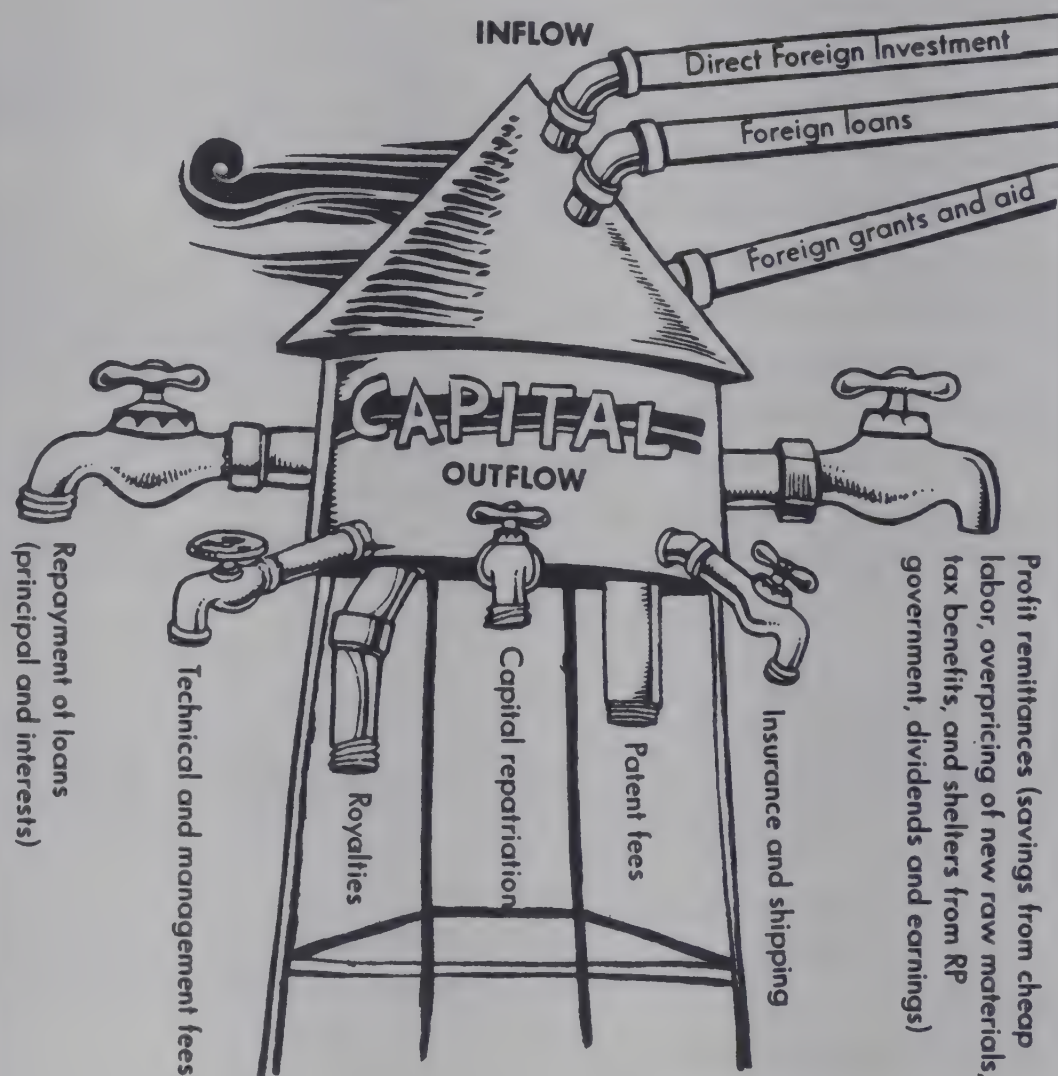


Source: SIA Newsletter

KBK Infographics

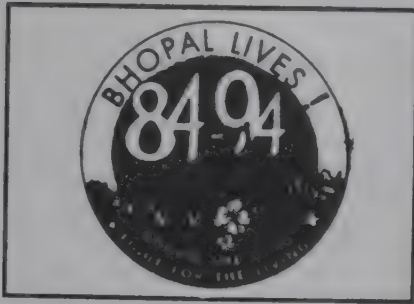
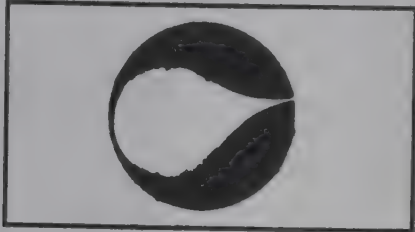


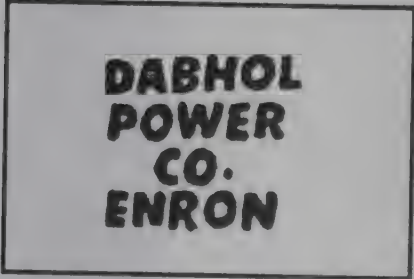
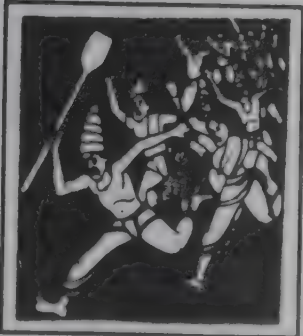

Courtesy : Indian Express

INFLOW AND OUTFLOW OF FOREIGN CAPITAL



Courtesy : IBON Philippines Data Bank and Research Centre

Campaigns on TNCs in India : Case Studies

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Union Carbide and the Bhopal Disaster

Union Carbide Corporation (UCC) escaped the 1984 Bhopal disaster with a compensation settlement of US\$470 million, a dismally paltry amount incapable of providing adequate monetary recompense for the many thousands of death claims and

many hundreds of thousands of injury claims the toxic gas release has generated. Furthermore, efforts in India to bring criminal charges against Carbide's top officers at the time of the gas release hold virtually no promise of success. "Ten years later," Indian lawyer Indira Jaising wrote of the Bhopal's decade anniversary, "the victims are forgotten, the civil suit is finished and the criminal proceedings reduced to a meaningless formality."¹

The history of this gross injustice offers insights about how TNCs' can manoeuvre to escape legal and financial responsibility for the harm they cause. According to Rob Hager, a US public interest lawyer who represented Bhopal victims against UCC in both US and Indian courts: "The three legal strategies UCC developed

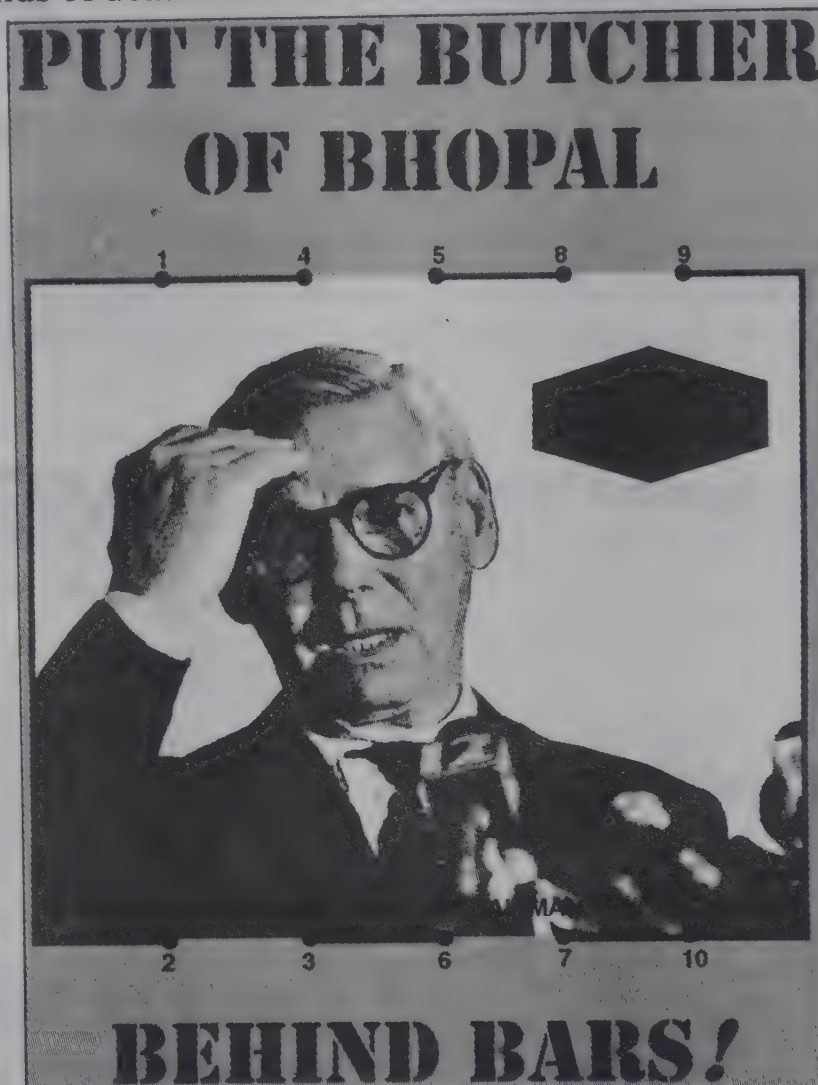
after Bhopal to avoid potentially enormous liability have set a standard for legal evasion by corporations around the world."² As individuals and groups look for ways to hold TNCs accountable, they would do well to have some awareness of Union Carbide's re-

sponses to Bhopal.

In a recent article, Hager outlines the key components of UCC's legal defense. First, concerned about the possibility of billions of dollars in damages, Carbide began immediately after the disaster to restructure itself for financial protection. With the help of investment bankers, UCC divested about 80 per cent of its equity capital to its shareholders and almost all of its debt to its lenders, a transfer

of some US\$8 billion. While ostensibly designed to rebuff a takeover attempt by a much smaller rival company, the restructuring would have provided Carbide with an effective bankruptcy defense against potential multi-billion dollar liabilities if its other legal strategies had fallen through.

This strategic move had other important consequences. The value of UCC's shares went into a sharp decline immediately



A Campaign Postcard on UCC brought out by BGIA
Courtesy : BGIA, Bhopal

following the disaster. The company's top managers including its then Chairman Warren Anderson faced the possibility of what is known as a "derivative suit" by angry shareholders for alleged negligence which led to the gas release. Corporate directors are legally required to use reasonable business

"Multinational Enterprise Liability"

"Key management personnel of multinationals exercise a closely-held power which is neither restricted by national boundaries nor effectively controlled by international law. The complex corporate structure of the multinational, with networks of subsidiaries and divisions, makes it exceedingly difficult or even impossible to pinpoint responsibility for the damage caused by the enterprise to discrete corporate units or individuals. In reality, there is but one entity, the monolithic multinational, which is responsible for the design, development, and dissemination of information and technology worldwide, acting through a forged network of interlocking directors, common operating systems, global distribution and marketing systems, financial and other controls. In this manner, the multinational carries out its global purpose through thousands of daily actions, by a multitude of employees and agents.

Persons harmed by the acts of a multinational corporation are not in a position to isolate which unit of the enterprise caused the harm, yet it is evident that the multinational enterprise that caused the harm is liable for such harm. The multinational must necessarily assume this responsibility, for it alone has the resources to discover and guard against hazards and to provide warnings of potential hazards. The inherent duty of the multinational is the only effective way to promote safety and assure that information is shared with all sectors of its organisation and with the nations in which it operates." ⁸

judgment in running a company; if shareholders believe that this judgment has not been exercised (determined in part by factors such as share value), they can launch a derivative suit against the directors personally. But UCC's financial restructuring significantly raised the value of the company's shares soon after the Bhopal disaster, and subsequent years were exceptionally profitable for Carbide. Anderson and other UCC directors thus ensured themselves protection from a shareholders' derivative suit.

Collusive Class Action Settlement and "Forum Non Conveniens"

According to Hager: "A linchpin of UCC's strategy to settle claims for mass injuries cheaply required enlisting the cooperation of a lawyer who would nominally represent injured plaintiffs but be willing to violate normal ethical prohibitions against settling claims, or bundling them together into a group settlement, without the consent of clients."³ In pursuing this strategy, Carbide had the help the judiciary in the United States (and later in India). The judge presiding in the 1985-86 US trial appointed a lawyer, who had previously arranged a cheap class action settlement in another mass injury case, to represent the Bhopal victims, whom the lawyer also tried to sell out.

This particular effort failed. Union Carbide, thinking that it could work out a better deal in India than in the US, thus employed a third strategy when it moved to have the trial dismissed from US courts under the doctrine of "forum non conveniens." Under this doctrine, courts can arbitrarily dismiss a suit brought by non-US plaintiffs on the grounds that it is too "inconvenient" or improper to try the case in the US, and that it

is more “convenient” to have the trial in the plaintiffs’ home country. “Forum non conveniens” rests on the political assumption that, in the words of one US legal scholar, “injuries done by American businesses to foreign nationals abroad are not America’s problem.”⁴ The doctrine therefore gives US TNCs strong protection from having to account financially for the damages they cause outside the United States.

“Forum non conveniens” reflects US corporate law more generally, which holds that when the stock of one company (the subsidiary) is substantially owned by another (the parent), the subsidiary will be treated as an entity separate from the parent (this is known as the “corporate veil”). There are, however, occasions where the parent will be held responsible for the obligations and liabilities of the subsidiary (this is known as “piercing the corporate veil”), such as when it can be proven that the parent controls the subsidiary’s operations or when the two operations are substantially intermingled. “Piercing the corporate veil” is typically very difficult, but to challenge “forum non conveniens,” plaintiffs’ lawyers in the US Bhopal litigation argued a counter-doctrine, “multinational enterprise liability,” which emphasised not merely that the US parent company UCC had control over the operations of its Indian subsidiary, but also that **UCC should have controlled** the subsidiary’s affairs (for an articulation of this doctrine, see the box below).

In 1986, however, the US judge accepted Carbide’s “forum non conveniens” argument, as did (after initial opposition) the Government of India, which had assumed the power to represent all the Bhopal victims. In the subsequent Indian trial, UCC’s class collusive action settlement strategy re-

emerged, this time with success. India’s Supreme Court succumbed to pressure from UCC and agreed to the US\$470 million settlement in 1989 (three years before, the Indian Government had asked for over six times US\$470 million, which is still far below the estimate of actual damages). Moreover, the Government made this settlement without consulting the victims. Indira Jaising’s critique of this blatant violation of the victims’ right to “due process” is apt:

“The role of the Court was to ensure that the settlement was not collusive, that it was fair...and that it was acceptable to the vast majority of the victims. It failed in each of those roles. That Union Carbide succeeded in achieving its game plan is thanks to the GoI [Government of India] and the Indian Supreme Court. Without the active assistance of both, it would not have succeeded.”⁵

Continued Collusion

The 1989 settlement was not the last example of India’s Supreme Court’s acquiescence to the wishes of Union Carbide. In 1994, the Supreme Court allowed the sales of UCC’s share holdings in its Indian subsidiary, so Carbide could fund a hospital it had earlier agreed to build for survivors in Bhopal. On the surface the Supreme Court’s move seems unobjectionable. In 1992, however, Bhopal’s District Court had forbidden the sale of these shares so it could hold onto Carbide’s assets as a bargaining chip in the effort to extradite Warren Anderson and other UCC officials to face criminal charges in India. Believing that Carbide should pay for any hospital it built directly from its own coffers, the District Court had expressly prohibited the shares’ sales on the pretext of building

such a hospital.⁶

Yet it was on such a pretext that the Supreme Court permitted the sale of UCC's Indian holdings, and through a trust it established, The Bhopal Hospital Trust, Carbide is paying some US\$20 million for a hospital. Not only does this weaken the District Court's (already weak) hold on Anderson and the others, the hospital is scheduled to be built over 11 kilometers from the gas-affected areas, and thus of little help to victims who desperately need local, community-based health services. Most recently, UCC has sought to set up another trust for a "research foundation" to "investigate" the effects of the Bhopal-gas on those injured.⁷ It is unclear what if any value this project will have for victims' needs, as well.

Lessons

For those seeking ways to hold TNCs accountable, being alert to, publicising, and protesting collusive class action settlement and financial restructuring strategies as well as schemes such as the hospital construction are necessary countermeasures. On the legal front, despite the failure to challenge "forum non conveniens" in the US Bhopal litigation, there have subsequently been some positive developments in attempts to bring US TNCs to court in the US for harm the companies caused abroad. These developments are discussed later, and give some hope that cracks in the barricade of "forum non conveniens" may be slowly widening.

It is not easy to obtain something approaching just compensation in any country for victims of a disaster of the magnitude of Bhopal. While Indira Jaisingh is correct when she asserts that the victims of such tragedies should have the right and choice to sue the responsible corporation in

either the parent company's country or the victims' own home, as regards at least US TNCs there may be advantages to the former.

Assuming the "forum non conveniens" doctrine can on occasion be beaten, Rob Hager suggests that one potential lesson from Bhopal is the need to bring punitive damages claims (those intended to punish a corporation and deter it from negligent practices) to trial as early as possible. Such claims should be separated from those for compensatory damages for each individual, which are complex and inherently slow-moving. One country does not usually execute the penal laws of another, Hager notes however, and "only a U.S. award of punitive damages could likely [have been] enforced against any of UCC's substantial U.S. assets." To improve the odds of providing victims with adequate recovery and to impose a financially significant deterrent, the case would have to be heard in the US. ■

Notes

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2. Rob Hager, "Bhopal: Courting Disaster," CovertAction, Summer 1995. The subsequent discussion of UCC's legal strategies is drawn from Hager's article.
3. Ibid.
4. Quoted in Hager, *ibid*.
5. Jaising, *op cit*, p. 199.
6. Bhopal Lives! 84-94 Anniversary Notes, the Bhopal Gas Peedit Sangharsh Sahayog Samiti, and the Bhopal Group for Information and Action, October 1994.
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Cargill Quits India

The news of Cargill's decision to withdraw from a controversial salt manufacturing project in India on 27 September 1993 brought cheers and relief to millions of people across the country. In an effort to attract foreign exports, a component of its new economic policies, the Government of India had given speedy permission to Cargill, the US's largest privately-held corporation which is heavily involved in global commodities trading, to produce salt on 15,000 acres of land belonging to the Kandla Port Trust in the Kutch region of Gujarat State. Besides salt production, Cargill's proposal also included construction of a private jetty at the major Kandla Port, ostensibly to facilitate its salt exports. However, the company also hoped to use its this jetty to increase significantly exports of soyabean, sunflower, and cotton seeds from India.

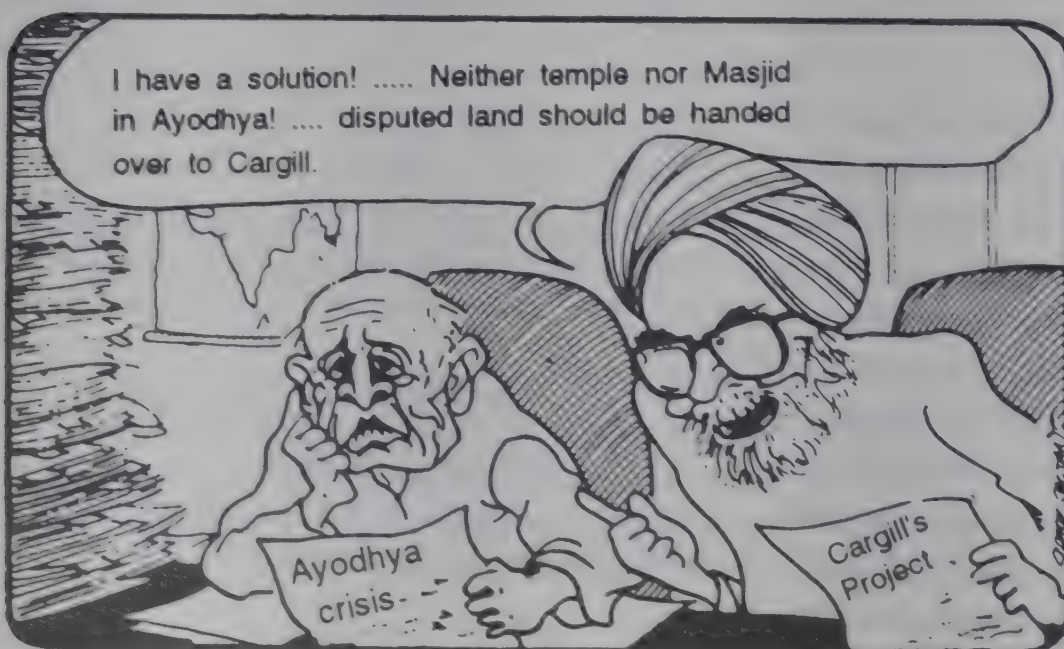
Cargill's proposal raised a number of concerns among Indian workers, small businesses, activists, and citizens:

1. Many believed that Cargill's main

objective was to use the Port's territory to expand its trade in agricultural commodities, and questioned why the Government would allow this, particularly in light of the anger Cargill's seeds business was generating among Indian farmers (*see box on Seeds of Protest*).

2. India has long made enough edible and industrial salt for both its own consumption and exports abroad. Indian salt production is a labour-intensive operation. People were afraid that once in India, Cargill would import capital-intensive manufacturing processes and displace numerous salt workers from their livelihood.
3. Indian salt manufacturers were frightened that Cargill, which had been allowed to sell one-quarter of its salt in India, would capture the domestic market.
4. Future development opportunities around the Port would be shut out given the large size of Cargill's project.

5. Sedimentation and siltation resulting from the project would be a costly problem for Kandla Port.
6. Large-scale production of salt would adversely affect marine



Courtesy: Suresh Savant

Seeds of Protest

29 December 1992 saw hundreds of farmers belonging to the Karnataka Rajya Raitha Sangha (KRRS, a farmers' organisation) storm into the Bangalore office of Cargill Seeds India Private Ltd., an Indian subsidiary of Cargill, and ransack it. This action marked the beginning of a movement to save India's agriculture, particularly its seeds sector, from domination by TNCs, and was followed by another attack on a Cargill facility (a sunflower seed processing plant in Karnataka) in July 1993.

The farmers were protesting against the negotiations of the General Agreement on Tariffs and Trade (GATT), which has since brought about a change in patent laws of countries such as India that enables TNCs to strengthen their control over the world's seeds business. Cargill Seeds India is the largest TNC aiming to capture the Indian sunflower and corn seeds market, and has outlined ambitious expansion plans. The company also intends to begin production of sorghum seeds for export.

Courtesy: KRRS



Farmers destroying the office records at Cargill's Office, Bangalore

life in the Gulf of Kutch and also jeopardise the area's mangrove plantations.

The Campaign's Beginnings

The Kutch Small Scale Salt Manufacturers Association (KSSSMA) became immedi-

ately alarmed when its members learned about Cargill's proposal in 1992. Worried about the impact Cargill would have on domestic producers' business, the KSSSMA sought and obtained a stay from the Gandhidham Civil court in February 1993 to prevent the Kandla Port Trust (KPT) from handing over the 15,000 acres of land. This

move put a legal block to Cargill's designs. While the KPT did not favor Cargill's project, in large part because it saw the venture as a threat to the Port's earnings, it was under strong pressure from the Central Government and the KSSSMA feared that the KPT would have eventually succumbed and acceded to Cargill's demands.

The Movement Picks up

By early 1993, resistance to Cargill began to broaden. Support from Samajwadi Abhiyan—a nation-wide platform of socialists which campaigns to protect India's economic and political sovereignty — strengthened the struggle against Cargill. This group help initiate a mass movement with the launching of second salt satyagrah (protest demonstration). Beginning on 19 May 1993, hundreds of social activists, politicians, and trade union leaders braved a scorching sun to march to Kandla Port and register their anger at the Government's actions. The police arrested many of the marchers upon their arrival. During the next few months, large numbers of protestors from different parts of India joined the satyagrah at the Port.

As of September 1993, some 8000 people from all walks of life had participated in the satyagrah in the sweltering summer heat (the Kandla region is located in a desert). Among these people were political leaders from a variety of parties including Members of Parliament and Members of State Legislative Assemblies as well as freedom

The history of 1930 salt satyagrah was repeated in 1993, demonstrating that for a vast majority of Indians, Mahatma Gandhi's assertion -- "We [Indians] will make salt"—remained valid.

fighters, students, trade unionists, non-governmental organisations, citizens' groups, and domestic salt manufacturers.

While the spirit of satyagrah was kept alive at Kandla, the struggle was also being waged elsewhere in India. Many dharnas (sit-ins), morchas (marches), and rallies were organised outside government offices in district headquar-

ters and other important locations throughout the country. A march — Ulta Dandi March — from Dandi to Ahmedabad began on 31 August 1993. This march reversed the route of Mahatma Gandhi's historic Dandi March in 1930, which was part of a crusade to make India independent in salt production, and which became closely linked to the country's struggle for national independence. The reversal of the route symbolised that the hard-won outcome of that earlier struggle -- independence -- was now being undone. And in southern India, the echo of the second salt satyagrah was heard when the people of Vypeen, an island in the backwaters of Ernakulam, resolved to resurrect salt manufacture in Kerala, a move toward self-reliance which helped provide sustenance for many families.

The Climax

The fight against Cargill was about to enter a decisive phase on 2 October (Gandhi's birthday) 1993 with an indefinite blockade of Kandla Port. The Abhiyan had decided

that this would be a “do or die” action, and thousands of people had agreed to converge on Kandla, including 25,000 farmers from Karnataka who had been involved the struggle against Cargill Seeds. This was an instance of various groups fighting for different causes (although against the same company) joining hands and consolidating their strength. Cargill was not expecting such a charged atmosphere, and given the prospective scenario, was left with little alternative. It decided to abandon its salt project.

However, even after this rejection, Cargill tried again to enter India in 1994, with the establishment of a 100 per cent-owned subsidiary for farm exports.¹ This time, India’s Central Government rebuffed the company’s overtures. Apparently, Cargill is determined to gain a foothold in India, and activists would do well to monitor the company’s activities to see where its next move will be.

Why the Campaign Succeeded

Cargill was unprepared for the ingenuity Indian activists employed in appealing to the powerful historical symbolism of the 1930 salt satyagrah. This symbolism helped to popularise and politicise the issue, which gave it a mass appeal and encouraged the involvement of a wide-ranging constellation of groups and interests. The history of 1930 salt satyagrah was repeated in 1993, demonstrating that for a vast majority of Indians, Mahatma Gandhi’s assertion --“We [Indians] will make salt”—remained valid.

Cargill said its decision to quit the salt project was prompted purely by commercial reasons, although six months ear-

lier it had expressed a far more positive opinion about the project’s viability. In fact, Cargill had underestimated the resentment its proposed arrival caused, hostility which was reflected by the exceptional commitment of activists who traveled to Kandla and protested daily in the hot summer months of 1993.

The struggle against Cargill’s salt project succeeded for other reasons as well, including:

- good organisation; there were regular protest meetings and arrests at various places in India;
- effective use of the courts, as exemplified by KSSSMA’s stay-order;
- vigorous use of media, including frequent press briefings;
- solid, popular campaign materials about the issue;
- activists were energetic letter writers (e.g., to the Prime Minister) and organised many petition drives at the local level;
- and effective use of democratic institutions; politicians who supported the fight against Cargill raised the issue in parliaments at both the state and central levels, which helped also in providing access to documents which shed light on the Cargill deal. ■

Notes

1. N. Minocha, “Govt Rejects Cargill’s Application,” Indian Express, 6 May, 1994.

All other information in this section about the Cargill campaign is drawn from Cargill’s Bitter Salt, Public Interest Research Group, Delhi, August 1993.

"No!" to DuPont

In the mid-1980s, the US-based chemical giant DuPont formed a joint venture with the Indian firm Thapar Ltd. to build a manufacturing factory for nylon 6,6, a synthetic cord used in tyres. The joint venture (called Thapar-DuPont Ltd., or TDL) chose a remote village in the state of Goa as the site for the facility, which was slated to become the world's largest producer of nylon 6,6 and represented an investment of some US\$200 million. With TDL, DuPont intended to increase nylon 6,6 production mainly for export to markets across Asia.

Goan community opposition to the nylon project was based on a variety of factors:

1. There were irregularities in the Goan government's acquisition of public lands for what were essentially the private purposes of TDL, which was sold the proposed site's property for one-fifth the going rate of land in the area.
2. Economic benefits to the state of Goa would have been largely nullified by the project's infrastructure costs (roads, water, power), most of which the state would have subsidised. The facility would also have depleted groundwater resources and electricity.
3. Job opportunities of the capital-intensive project to Goan citizens would have been far fewer than proponents promised. Counter-analyses suggested that if the state were to invest much less into smaller labour-intensive industries than it was into the DuPont mega-project, many more people would be employed.
4. DuPont had already developed a new cord material for tyres in North America and Western Europe; the nylon 6,6 investment represented the transfer of an outdated technology and product.
5. There had been no site appraisal, environmental impact assessment, or disaster management plan for the nylon project. Citizens were deeply worried about the hazards of large-scale chemical manufacture on human health and the ecosystem in Goa, a rural area which thrives on agriculture and tourism. In particular, they were concerned about effluent runoff into nearby farmers' fields as well as into a major source of drinking water and a river which provides much of the local population with fish.
6. While DuPont claimed that nylon 6,6 manufacture was non-polluting and safe, documents from a US state government's health department included materials involved in nylon 6,6 production on its "Hazardous Substances List."
7. Moreover, DuPont, having witnessed Union Carbide's litigation from the Bhopal disaster, had inserted clauses into the joint venture contract which exempted DuPont from any liability for damages to people or property arising from a chemical accident or contamination.¹

The Campaign's Early Years

One of Goa's oldest voluntary organisations, Nirmal Vishwa, publicly raised the issue of the nylon plant's dangers in 1988. Over the next two years, primarily environmental groups voiced objections to the plant, and

these warnings began to arouse concern among local communities near the prospective site. In 1990, a heated question-and-answer meeting between community members and DuPont officials occurred in which the company tried unsuccessfully to convince people of the plant's safety.²

Shortly thereafter, and in response to rising public inquiry, Goa's Legislative Assembly created a House Committee to examine the nylon 6,6 plant proposal. According to the Goa Foundation's Claude Alvares, a longstanding critic of the facility, the "[House] Committee's deliberations set a wholly new precedent for industrial approvals in post-Independence India. It instituted a series of public hearings on the project, a crucial instrument available to people in advanced countries and unsuccessfully demanded by environment groups in India...."³ After interviewing DuPont employees as well

as many people and organisations from Goa, in late 1990 the House Committee recommended, on both ecological and social grounds, that the proposed nylon plant be shelved. The Committee's report also emphasised the need for local communities to have an authoritative say -- including effective veto power -- over such investment. "People's participation and co-operation in decision-making," the report observed, "is vital for development."⁴

The Goan state government refused to heed the House Committee, but the report's conclusions helped galvanise public opposition in several important ways: they encouraged three governing councils of villages near the plant site to meet and pass resolutions against the project; they prompted a cooperative of 800 area farmers also to pass such a resolution; they fueled the formation of a village-level, grassroots

- *"Making nylon 6,6 is like baking a cake. Here is the flour and there are the eggs....There are no hazardous substances involved. Both adipic acid and hexamethylene diamine are not considered hazardous even in the US. Adipic acid is used to make candy. I love candy, don't you?"* — Rita Heckrotte, DuPont engineering associate, in a presentation to Goan journalists, 1990.⁷
- *"Though this aspect is played down by the representatives of TDL, it is a fact that both the raw materials used, i.e., hexamethylene diamine and adipic acid, have been enlisted as hazardous substances by US health authorities and, in both cases, extensive care and protection is demanded in their handling and use."* —Report of the House Committee about the nylon 6,6 plant, 1990.⁸
- *"We hope that ultimately the people of India will understand that the TDL plant is in the best interests of the economic future of their country. But committed as we are to the project, TDL will not proceed unless we can gain the consent of all the Indian stakeholders, the most important of whom are the community residents themselves."* — J.A. Krol, Vice Chairman of the Board, DuPont, 1995⁹
- *"The recent events are a sign of hope that the people of this country have begun to resist the takeover of their resources by multinational corporations, even if they have to die while doing so."* — Claude Alvares, 1995¹⁰



Women Protesters in a protest march against the Project

Photo Courtesy: T.J. Birdi

group, the Anti-Nylon 6,6 Citizens' Action Committee, which became a key source of information dissemination and protest; and they led to a 1991 meeting in Ponda, a city near the site, of a coalition of environmental groups, trade unions, cultural associations, and citizens who issued the "Ponda Declaration" reaffirming their firm rejection of DuPont's nylon factory. And to ensure that it reached as wide an audience as possible, the Goa Foundation published the House Committee's report in *The Unwanted Guest -- Goans vs. DuPont* (1991).

During the following two and a half years, anti-nylon organising activities operated on several levels. In villages surrounding the site, the Anti-Nylon 6,6 Citizens' Action Committee convened meetings of farmers and herdspeople to discuss the facility, its effects, and to organise marches against the project. In 1992, the All Goa Citizens' Committee for Social Justice and

Action was formed and became involved in the growing anti-nylon movement. This group has strong ties to the Roman Catholic Church and its involvement in opposition to the plant created a significant bridge between Goa's Christian and Hindu communities (the population around the proposed site consists almost entirely of Hindus).⁵

Certain concerned individuals from the middle class helped broaden the base of the anti-nylon work further by organising professionals such as lawyers, physicians, architects, professors, artists, and businesspeople. In early 1994, three dozen of these people, among them some of Goa's best-known citizens, submitted a memorandum entitled "No! To DuPont's Nylon 6,6 in Goa" to the Goan Chief Minister, which outlined a number of reasons they opposed the plant.

The Campaign Heats Up

The struggle between DuPont and a diverse cross-section of Goa's citizenry intensified during Autumn 1994 up through early 1995.⁶ A chronology illustrates this escalation:

September/October -- As TDL began actual construction on the plant site, there were several meetings between DuPont and activists and community members, with no effect on strong public opposition. Following a large rally at which citizens had pledged to tear down a boundary wall TDL was building if the government took no action, hundreds of villagers marched on the eve of the Hindu festival of Dussehra to the site and destroyed the wall and equipment.

November/December -- As TDL imported security guards for the site, the community began to boycott those people involved with the nylon project, with shops and hotels refusing to provide them service. The Goa Foundation produced anti-nylon stickers and published an easy-to-read broadsheet which summarized the history of the struggle and the key arguments against the facility. On the 33rd anniversary of Goa's independence from Portugal, activists held a rally at the plant site.

January 1995-- After a large demonstration of anti-nylon protestors at Goa's Legislative Assembly, police arrested several leaders of the Anti-Nylon Citizens'

Having successfully rejected unwelcome investment in one of the longest clashes between citizens and a TNC in India's history, Goan activists have sent their information and other anti-nylon material to concerned groups in Tamil Nadu.

Action Committee without charges and beat them. When news of the arrests spread, over 1000 people went to the police station and forced the police to release the activists, who held a press conference to publicize their ill-treatment. Several days later, during a people's blockade of the road leading to the facility, police opened fire without warning on the crowd, killing one protestor and wounding others. Activists in turn attacked the police, forcing

them to flee. The next day, the Anti-Nylon Committee declared a bandh (shutdown) of the community, and representatives of many political parties condemned the shootings. While some protestors ransacked TDL's office, others staged demonstrations at the homes of leading politicians who still supported the plant. Near the plant site, over 4000 people attended the funeral services for the activist killed by the police.

The police shootings marked a turning point in the struggle against the nylon plant. By February 1995, TDL had begun negotiations to shift the nylon plant out of Goa, and in June DuPont announced that it had chosen another state, Tamil Nadu, as the new site. Having successfully rejected unwelcome investment in one of the longest clashes between citizens and a TNC in India's history, Goan activists have sent their information and other anti-nylon material to concerned groups in Tamil Nadu.

What the Citizen-Activists Learned About Challenging a TNC

■ As with other examples of challenges to TNC power in India, the Goans' struggle against DuPont illustrates the force of civil society when it is mobilised across class, religious, or other lines. People who led the fight -- and who by and large were ordinary citizens, not professional activists -- emphasized the need for the struggle's organisers and leaders to be as open, indeed transparent, as possible about their intentions and motives. This, they say, was an important factor in allowing them to include as many elements of Goan society as they did.

■ The plant's opponents aggressively used meetings with DuPont employees to question and challenge the officials directly, vigorously, and where possible openly, about the proposed facility. Anti-nylon activists note that such encounters served two purposes: 1. they provided information about the project; 2. and they helped people learn, through company officials' evasions, what were the project's vulnerabilities.

■ Anti-nylon activists made sure to publicise the abuse they suffered at the hands of the police rather than permit themselves to be intimidated and suffer in silence (as the police no doubt hoped they would).

■ Goans also benefitted considerably from information from outside India, in particular from US state and federal government sources which provided technical data on chemical hazards involved in nylon 6,6 production, and from US non-governmental organisations' materials on DuPont's environmental record. Anti-nylon activists stress the importance of these materials for their work, and note that were it not for such help

from abroad, this information would have been unavailable.

■ Anti-nylon activists made comparative analyses indicating how many more jobs could be created were the money involved in the nylon plant invested into a variety of small-scale, labour-intensive sectors instead of one capital-intensive industrial mega-project. Because proponents of TNC-led foreign investment frequently assert the financial and job-related benefits associated with such investment, the activists say that this economic critique was a necessary complement to their opposition work based on ecological concerns. ■

Notes

1. Information on the threats from the facility are from: interviews with Goan community members; The Goa Monitor, special election issue, November 1994; and Claude Alvares, ed., Unwanted Guest Goans vs. DuPont, The Other India Press, Goa, 1991, esp. pp. 1-7.

2. Interview with Dr. Dattaram Desai.

3. Alvares, op cit, p. 6.

4. Quoted in The Goa Monitor, op cit.

5. Interviews with K.D. Sadhale and M.K. Jos.

6. This chronology comes from: The Goa Monitor; Gary Cohen & Satinath Sarangi, "DuPont Spinning its Wheels in India," Multinational Monitor, March 1995; and various articles from Goan newspapers between 16 and 25 January 1995.

7. Quoted in The Goa Monitor, op cit.

8. From House Committee Report quoted in Alvares, op cit, p. 73.

9. Letter from DuPont Board Vice-Chairman J.A. Krol to Barbara Dudley and Kenny Bruno, Greenpeace, 7 February 1995.

10. Cohen & Sarangi, op cit.

The Campaign Against Nestle

The world's largest packaged food manufacturer, Nestle controls about half the global baby food business. Along with another firm, the giant TNC shares control of 85 per cent of India's growing infant milk food market. For over a decade and a half, Nestle has been the target of an international boycott and other campaign work to highlight and stop its unethical promotion of infant formula as a substitute for breastfeeding. The infant formula industry including Nestle is notorious for sales practices such as giving away free food samples in hospitals and elsewhere as well as aggressive and misleading advertisements which undermine breastfeeding.¹

There are numerous problems associated with the replacement of breastfeeding with infant formula, particularly in the social contexts of India and other less-industrialised countries:

1. Seventy per cent of India's mothers are illiterate and cannot read the detailed instructions on the infant milk food package; there is a high risk of the wrong instructions being followed and the babies becoming malnourished.
2. Sixty per cent of Indian families are below the poverty line and cannot pay for sufficient infant milk food. A study in West Bengal revealed that 63 per cent of bottle fed babies were being

given diluted infant formula because their parents could not afford the required amount of packaged milk food. Such dilution threatens the babies with severe malnourishment.

3. According to the United Nations Children's Fund (UNICEF), over one million babies worldwide die annually because they are not breastfed. Even in industrialised nations, studies show that babies who are totally bottle fed are four to seven times more vulnerable and susceptible to disease and hospitalisation. In many Indian households, the acute shortage of safe drinking water, lack of proper kitchen facilities, and scarce supply of fuel make it difficult to sterilise the bottles and nipples or boil the water. Thousands of babies in India die of diarrhoea and gastroenteritis every year.

Brief History of the International and Indian Campaigns

Beginning in the mid to late 1970s, activists concerned about the effects of food TNCs' marketing of infant formula in a number of countries began to raise awareness about the issue. In some places, this took the form of a boycott on Nestle, whose sales tactics have among the most egregious in the industry. Additionally, a widespread lobbying push led in 1981 to the

A widespread lobbying push led in 1981 to the adoption by the World Health Organisation and UNICEF of an international code of conduct to ban baby food promotion.

Pro and Con

While corporate codes of conduct vary as to the strictness of their written requirements, they are voluntary agreements, and thus neither well monitored (usually) nor enforceable, i.e., they do not involve any penalties for TNCs which violate them. Over the past several decades, a variety of such codes have emerged, by intergovernmental organisations (the Organisation for Economic Cooperation and Development Guidelines on Multinational Enterprises, the Food and Agriculture Organisation Code on the Distribution and Use of Pesticides, the World Health Organisation/UNICEF Code of Marketing for Breast Milk Substitutes), by industry (the US Chemical Manufacturers Association's Responsible Care Program, the International Chamber of Commerce's Business Charter for Sustainable Development), and by non-governmental and other groups.

As a way to promote greater TNC accountability, there are arguments for and against campaigning for codes of conduct. On the one hand, advocates note that a code should not be seen as an end in itself but rather as a forum for maintaining dialogue about and attention on TNCs at a national or international level. They also

Critics are skeptical that in an era of increasingly deregulated business and trade, voluntary agreements are worth fighting for.

say that codes may help harmonise upwards international labour, environmental, and consumer standards, and suggest that the codes can be used as a platform to push for national corporate regulation (as was the case in India for the code and law on marketing of infant formula).

Critics are skeptical that

in an era of increasingly deregulated business and trade, voluntary agreements are worth fighting for, and maintain that such agreements are no substitute for regulatory control. They also point out how frustrating and time-consuming such fights can be (as has also been the case in India not merely for the code but also for the baby food law) and, worse, indicate that work on voluntary codes can distract much-needed energy from the struggle for enforceable rules on TNCs.

One new idea is to have a trade union negotiate and monitor a corporate code of conduct. Under the auspices of a European Union directive, such an initiative is currently taking place.

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adoption by the World Health Organisation (WHO) and UNICEF of an international code of conduct to ban baby food promotion. This code is voluntary, however, and companies have routinely broken it. According to the UK-based Baby Milk Action, Nestle has violated the code around the world more often than any of its competitors.²

However, the WHO code did provide

important encouragement to national level efforts to implement restrictions on TNCs' infant formula marketing. In India, for over a decade there was a concerted campaign first to adopt a national code for the protection and support of breastfeeding -- this happened in 1983 -- and then to pressure the Central Government to enact the code into law. Organizations such as the Association for Consumers Action on Safety and Health (ACASH), the Voluntary Health Association of India (VHAI), the Coalition for Protection of Women & Children, and, more recently, the Breastfeeding Promotion Network of India (BPNI), as well as many local consumer activists persistently lobbied Members of Parliament for such legislation. To substantiate their arguments, these advocates produced many good studies and educational materials including literature and videos.³

The lobbyists' commitment and diligence paid off: after several attempts during the 1980s, the Government finally passed a bill in 1992 which prohibits infant formula advertisements, free samples to mothers or

While the work of BPNI is a model of voluntary citizen activism, it is also an indictment of the Government's failure to combat corporations' continued unethical behaviour.

health care workers, promotion in hospitals, and establishes guidelines for labelling on baby food packages.

And Enforcement?

Though technically responsible for enforcing the baby food law, in practice the Indian Government has failed to fulfill this responsibility. As a result, it has been left up to the activists who

pushed for the legislation to continue the struggle: to monitor company products and advertising; report violations to judicial authorities; find lawyers to help with cases; and publicize the issue in the press. This process is inherently time-consuming, say activists, and can be extremely frustrating because of corporate efforts to circumvent and evade the law.

For instance, in September 1994 ACASH and BPNI filed a criminal complaint in a New Delhi court against Nestle's Indian subsidiary, Nestle India Ltd., for what they allege are company violations of the baby food act's advertising and package labelling restrictions. In January 1995, the presiding judge found that there was sufficient evidence to summon the managing director of Nestle India to the court for a hearing. The first summons instructed the official to appear in April, but reportedly no company representative was available to receive the order when it was delivered. A second summons was issued for a July court appearance, but again the company refused to accept the order, saying the managing director

“Why can't they be human beings?”

— Dr. Arun Gupta, BPNI, about managers of corporations such as Nestle which sell baby foods, 1995⁶

was “out of station.”⁴

At the July hearing, the frustrated judge decided to authorise a high-ranking police officer to serve a third summons personally. At this juncture, plaintiffs' lawyers noticed by chance that an attorney working for Nestle India was present. When detected, the Nestle India attorney attempted to leave the court, but was prevented from doing so by guards. The judge served this attorney the summons for the firm, which has since dispatched a team of lawyers to respond to the complaint. The case is pending.⁵

This rather foolish example illustrates how difficult it can be to apply legislation to TNCs in the absence of determined governmental (or intergovernmental) enforcement. With voluntary codes of conduct, the problem is compounded. India is fortunate in that it has exceptionally committed activists fighting for corporate compliance with the baby foods law.

BPNI, which has 700 volunteer members in 150 cities, has distinguished itself in this regard by publishing easy-to-read literature describing the law's various provisions as well as an excellent Monitoring Manual, which explains how to find and report violations and includes a list of companies and the baby food products they sell in India. Along with groups such as VHAI, BPNI also offers informational workshops and training tools about breastfeeding and nutrition generally. Additionally, BPNI is striving to build an international code monitoring network as part of the World Alliance

for Breastfeeding Action (WABA Secretariat PO Box 1200 10850 Penang, Malaysia tel. 604 6584816 fax 604 6572655), and people in other countries will surely benefit from BPNI's skill and experience.

But while the work of BPNI is a model of voluntary citizen activism, it is also an indictment of the Government's failure to assume greater responsibility for combating corporations' continued unethical behaviour. ■

Notes

1. This information as well as that in subsequent paragraphs about the dangers of infant formula are from either Infant Milk Food -- Unsafe at Any Cost, Voluntary Health Association of India, 1992, or Baby Milk Action's “Campaign Against Nestle” fact sheet, 1993.
2. Baby Milk Action, *ibid*.
3. Interviews with Dr. Mira Shiva and Dr. Arun Gupta.
4. Court Order of Pawan Kumar Jain, Metropolitan Magistrate, Delhi, regarding case Association for Consumers' Action on Safety and Health vs. Nestle India, Ltd., 16 January 1995, and “Details of the Proceedings Pertaining to the Case Association for Consumers' Action on Safety and Health vs. Nestle India, Ltd., Pending,” 6 July 1995.
5. *Ibid*, and interview with Dr. Arun Gupta.
6. Interview with Dr. Arun Gupta.

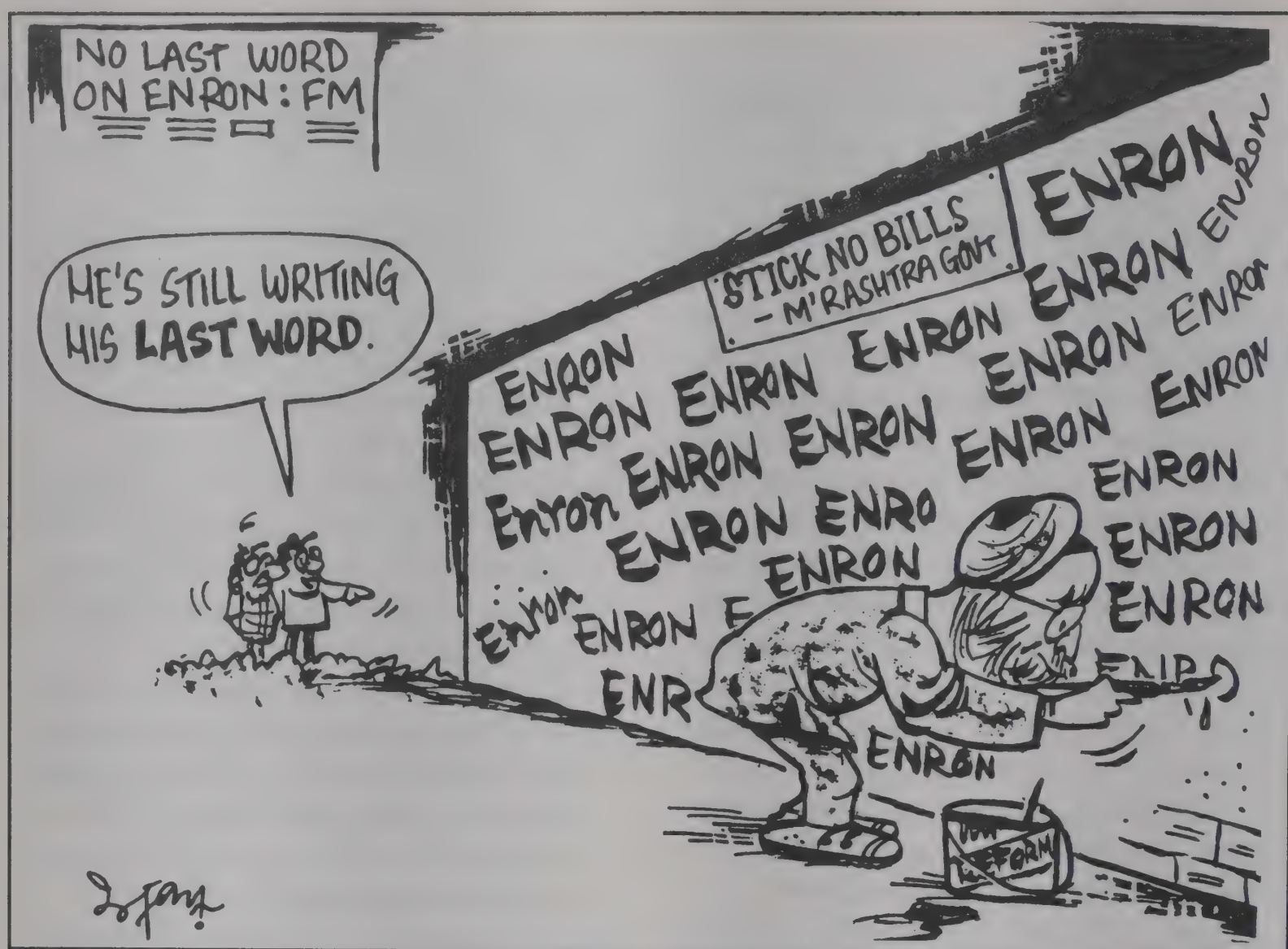
The Campaign Against Enron

On 3 August 1995, the government of the state of Maharashtra cancelled the notorious Enron project. The US-based Enron Corporation had proposed a 2015 megawatt (MW) gas-fired, combined-cycle power project in 1992 in the wake of the liberalisation of energy policies by the Central Government. In order to attract foreign investments to the power generation sector, the Central Government amended the Electricity Act and other rules and regulations, and offered incentives such as guarantees and counter-guarantees to TNCs to invest in Indian power projects. The multi-billion dollar Enron deal, which would have created India's single biggest power plant and have been the largest foreign investment in the country, was one of eight so called "fast track projects" cleared by the Central Government.

To enter India, Enron used a joint venture, Dabhol Power Company (DPC), which is a 100 per cent foreign-owned private limited liability company incorporated in India by Enron, Bechtel, and General Electric (GE). Enron itself is a major global natural gas company and is also involved in oil production. The Bechtel Group, Inc. is an engineering and construction firm with interests in power generation, oil, gas, and financial services. And General Electric is engaged in a variety of activities including the manufacture of aircraft engines and turbines. The three partners controlled DPC through a chain of companies based in Mauritius, a tax haven. Enron Mauritius Company held 80 per cent of the shares of the DPC, while the holdings of Bechtel and GE accounted for the remaining 20 percent.

From its inception, the Enron project raised controversy for a number of reasons:

1. There was no competitive bidding for the project; the deal was negotiated exclusively between the Maharashtra Government and Enron.
2. The project costs and power tariffs were higher than other power projects in India, and the cost of electricity from the Enron project would have significantly inflated prices all around.¹
3. The Maharashtra State Electricity Board (MSEB) promised to buy all the high-priced power produced by Enron, whether there was a demand for it or not, and even if cheaper power were available from its own generating plants.
4. DPC was assured of a post-tax return of 16 per cent on capital investment, and there was no limit on the capital expenditure Enron could make. Indian economists calculated that Enron's after-tax rate of return on the project would actually be 32 per cent, about three times the average rate in the United States.²
5. There were counter-guarantees from the State and Central Governments for payments which would have been due to DPC from the MSEB. Arbitration in the event of a dispute over the counter-guarantee would be under English law in London.
6. An assurance was given that the project would not be nationalised.
7. The project authorities carried out no environmental impact assessment (EIA).
8. Enron paid US\$20 million as "Educational Gifts"; critics considered these payments to be bribes to clear the project.



Courtesy : Irfan / Financial Express

9. The Power Purchase Agreement (PPA) between the DPC and MSEB was initially kept secret from the public.³

Combined, these issues led to significant mobilisation at both local and state levels to scrap the Enron project.

The Campaign

Although opponents to the Enron project were divided by ideological differences, they were still able to organise considerable collective support. The first protest against the project began in June 1992, when Enron and MSEB made a preliminary agreement. Environmental groups, namely the Bombay Environment Action Group and the Society for Clean Environment (also Bombay-based),

were among the first to point out controversial clauses in the deal. With the help of a consumer protection group, the Mumbai Gharak Panchayat, a case was filed demanding scrutiny of the then-secret Power Purchase Agreement and Fuel Purchase Agreement documents.⁴

Simultaneously, the local population began to learn about the Enron project and its ecologically harmful effects such as water pollution and land degradation. In the three administrative units to be most affected by the project (Guhagar, Dapoli, and Chiplun), people set up a coalition, the Parisar Vachava Sangharsha Samiti, to protect their environment. Environmentalists scored a triumph when the Bombay High Court directed the Central Ministry of

Environment and Forests to review the environmental clearance granted to the project. (Despite the concerns raised by the Court's judgment, however, the Ministry issued the project a fresh environmental clearance in late 1994. Neither this clearance nor the first one were based on an environmental impact assessment.) And in July 1994, the Enron Virodhi Sangharsh Samiti (the Anti-Enron Struggle Committee) was formed by 15 non-governmental organisations and trade unions backed by political parties such as the right-wing Bharatiya Janata Party (BJP) and Shiv Sena as well as the left-wing Communist Party of India (CPI) and Communist Party of India—Marxist (CPM).⁵

The campaign against Enron benefitted from research and information support from groups such as the National Working Group on Power Sector, the Indira Gandhi Institute of Development Research, Indranet, and Prayas. These and other organisations produced well-documented and in-depth studies to highlight the negative impact of project on Maharashtra's economy, local population, and environment, and also presented cost-effective and efficient alternatives to the project. Prayas analysts, for example, argued that conservation measures could meet most of the Enron facility's output at significantly less cost than the project's price tag.⁶

Interestingly, most of this research support work was carried out by institutions based in Maharashtra, with little or no input from outside the state or India. Even the mass actions against the project remained localised, with few ties to other groups fighting against TNCs or power projects in India. Neither the Cargill nor Bhopal struggles had much contact with any organisation involved in fighting Enron. Similarly,

grassroots groups against the Singrauli coal power projects had no contact with those challenging the Enron deal. But although the movement against Enron remained very localised, at the same time it became highly politicised and publicised at the national and international levels.

Tapping into local hostility to the Enron project, a Shiv Sena-BJP coalition party made cancellation of the Enron project its main poll promise during the state's assembly election campaign in early 1995. When Shiv Sena-BJP won the election in March, citizens intensified their actions against the project to ensure that Shiv-Sena-BJP government kept its pledge. New alliances such as Enron Hatao Kruti Samiti, a coalition established by left and right-wing political parties, emerged to bolster the campaign.⁷ Although ideologically divided, the coalition's members were able to rally their respective constituencies against Enron.

On 12 May 1995, nearly 400 hundred citizens of villages affected by the project stormed the project site and ransacked the office. Construction of the project's first phase (a 695 megawatt facility) came to a halt for four days after the attack. Enron Hatao Kruti Samiti launched a month-long satyagraha (series of demonstrations) in front of the state legislature beginning on 5 July. The Samiti's members organised many public meetings to discuss the ill-effects of Enron project in various parts of Maharashtra during the satyagraha.⁸ As a result of this pressure, the newly-elected Shiv Sena-BJP government set up a review committee to look into the project. Headed by the Deputy Chief Minister of Maharashtra, the committee recommended in late July that the project should be cancelled.

Lessons

The Enron episode is instructive for several reasons. First, in an era of globalisation which is weakening the power of nation-states and civil society vis a vis TNCs, the cancellation of the Enron project shows that citizens can work with (on) a state government to say no to TNCs. Unlike the Central Government, Indian State and local governments have no constitutional authority to deal with foreign investment in India per se, although they decide whether or not to clear a particular project. As the Enron case suggests, however, sovereign space still exists for state and local governments, provided they have the political will. Decentralisation of decision making on foreign investments would be an important factor to prevent controversial projects such as Enron (or DuPont) from being promoted against the wishes of people whom those projects affect.

Second, Enron became one of the main issues in the Maharashtra State assembly poll. From left to right, all the political parties except the ruling one had promised to scrap the project if elected. Not only does this demonstrate that working across party lines can strengthen a campaign, it also reveals how elections can be used as an effective tool to mobilise support for a cause.

Third, citizens forced the Shiv Sena-BJP coalition government to stick to their poll promise to cancel the Enron deal. This happened because of the commitment of various trade unions, non-governmental organisations, and people's groups in Maharashtra, and despite the fact that both Shiv Sena and BJP are pro-liberalisation and supportive of privatisation and globalisation policies. Clearly, a sustained popular movement can sometimes force a State Government and even the Central Government to

accept its demands, regardless of ideology.

Enron notwithstanding, it is a fact that many mainstream political parties, from right to left, in India and elsewhere, are endorsing the globalisation process and promoting liberalised foreign investment. To influence these parties, and to counteract the negative consequences of this trend, citizens groups, people's movements, and alternative political organisations must work vigorously to mobilise their collective power against not merely this or that TNC project, but against the general presumption of the benefits of TNC-driven foreign investment. A recent article in the Economic and Political Weekly put this point well:

"The Enron episode has...brought out the high cost to the country, not only of this particular deal had it gone through, but of the open door policy towards multinational corporations which is such a vital part of the government's economic reform policies. It is from this wider standpoint that the Enron case must be debated in the country and the opposition parties must take it up as a major political issue....These parties must respect the sentiments of the people and, in their quibbling among themselves, not allow the fundamental issues involved in the scrapping of the Enron deal to be obfuscated." ■

Notes

1. Pratap Chatterjee, "Enron Deal Blows a Fuse," Multinational Monitor, July/August 1995.
2. Ibid.
3. For further details on the problems with the project, see "Enron: the power to do it all," Indranet, v. 3, nos. 2-4, 1994, and "The Enron Controversy," published by Prayas, 1995.
4. "Another Narmada," Indian Express, 4 June 1995.
5. Ibid.
6. "The Enron Controversy," op cit.
7. "Stir Against Enron to be Intensified," The Hindustan Times, 17 June 1995.
8. Ibid.
9. "Enron and the High Cost of MNCs," Economic and Political Weekly, 5-12 August 1995.

Fighting TNCs on the High Seas

As part of economic liberalisation, the Government of India has since 1991 offered generous incentives and subsidies to attract foreign direct investment into deep sea fisheries (defined as those beyond 12 nautical miles) of the country's Exclusive Economic Zone (EEZ). With the expressed aim of boosting foreign exchange earnings and encouraging an influx of new fishing technologies, the Government has reportedly issued over 150 licenses for joint ventures with non-Indian partners which include both large but relatively obscure fishing transnationals and well-known conglomerates such as Mitsubishi.¹

The Government's deep sea fishing policy is flawed for a number of reasons, and raises a host of social and environmental problems:

1. Past experience with introducing chartered foreign vessels into Indian waters did not raise foreign exchange earnings. These vessels routinely under-wrote the quantity of catch to boost unaccounted profits, and the joint venture vessels doubtless also do, especially since the Government is allowing them to transfer catches at sea. Government fuel subsidies and profits the foreign companies make through vessel leasing arrangements further reduce foreign exchange earnings.
2. Joint ventures export 100 per cent of their catch, causing shortfalls in the availability of fish for domestic consumption which will hit coastal communities hardest since fish is their main and cheapest protein food.
3. The large-scale harvesting technologies

of the foreign investors' are partly to blame for overfishing in Northern seas; this resource loss is driving the investors to seek new fishing grounds in places such as India. But these technologies are even more inappropriate for tropical waters, and will deplete Indian fish stocks at an unsustainably rapid rate.

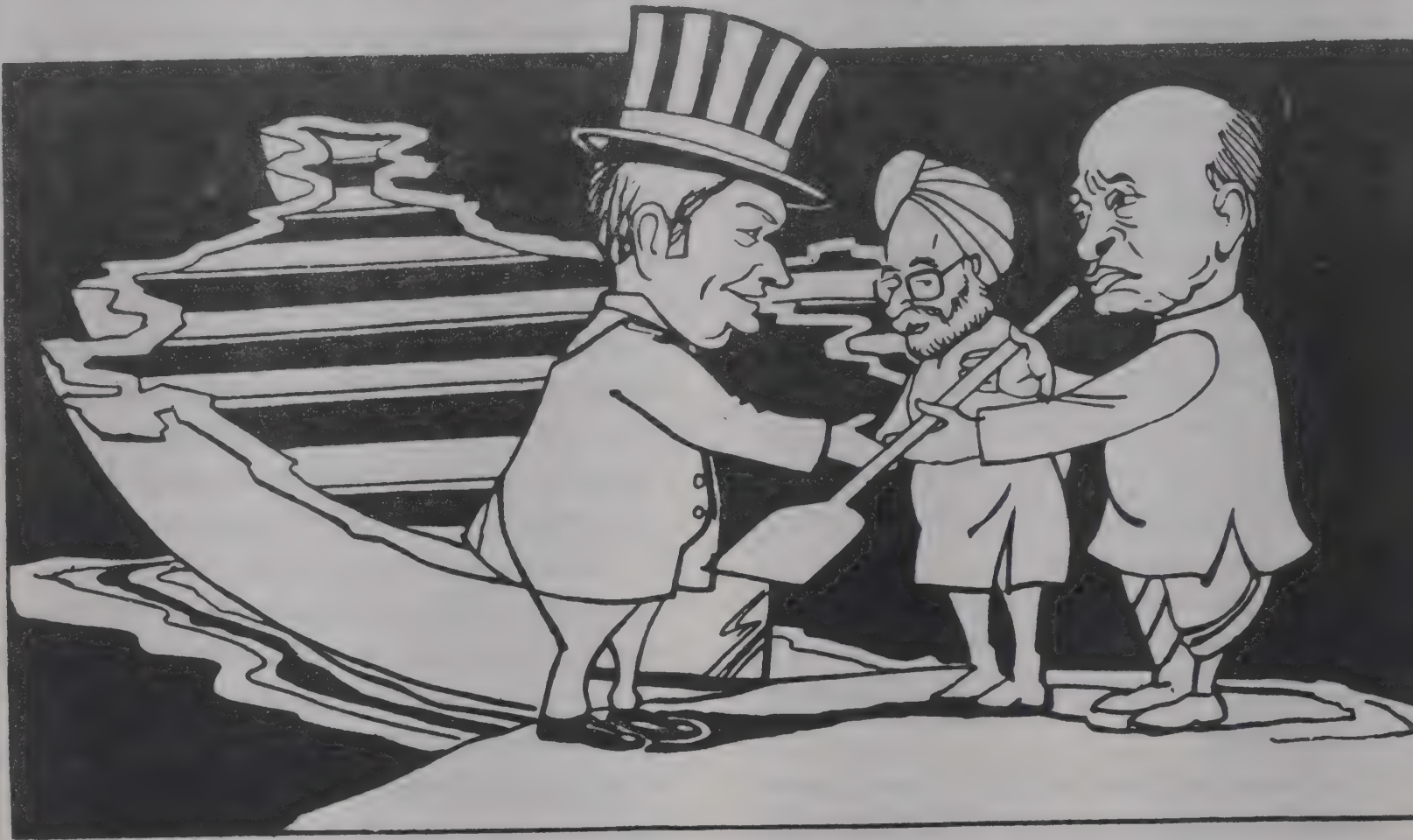
4. The Indian Government permits the investors to employ non-Indian crews, and there are few job benefits for Indians on foreign investors' vessels. Because these vessels' fish catches are processed at sea, there is no need for shore-based labour.

5. Studies by the Food and Agricultural Organisation and others indicate that India's inshore, coastal waters have more commercially viable fish than deeper areas. Given this situation, foreign investors' vessels will increasingly fish inshore, competing with and displacing millions of traditional artisanal as well as small-scale mechanised fishers.²

The Campaign Against Joint Ventures

Traditional non-mechanised coastal fisherfolk have usually been at odds with the small-scale mechanised boats which entered Indian waters during the 1980s, but the TNCs' joint ventures are threatening both groups. In 1993, the National Fishworkers' Forum (NFF), a federation of primarily artisanal fishworker trade unions which has its headquarters in the state of Kerala, organised a seminar for the small-scale mechanised and non-mechanised sectors to discuss ways they could work together.³ In

Stop Selling Out Indian Seas to Foreign Companies



Join Harbour Blockade NFACAJV Zindabad

A Campaign Poster by NFACAJV

February 1994, the NFF and the Mechanised Fishing Boat Operators' Association sponsored a bandh (shutdown) which in Kerala received strong support from fisherfolk as well as fish vendors. A rally and dharna (sit-in) at the Secretariat in Kerala's capital Kochi drew hundreds of people.

The Government offered no serious response, and in May 1994 non-mechanised and mechanised fishers and other fishing interests formed a coalition. For the past year

and a half, this tactical alliance, the National Fisheries Action Campaign Against Joint Ventures (NFACAJV), has sought to raise awareness of the deep sea fishing policy and to pressure the Indian Government to withdraw all licenses for joint ventures with an extraordinary series of collective mass actions.

—In July 1994, fishers and fish merchants in many states observed a "Black Day" (blackness symbolises poor fishing

■ *"...I would like to reiterate that the Government is committed to protecting the interests of traditional fishermen and is open to holding a continuous dialogue with them on the subject of Government policy. The Government is seriously concerned about the welfare of traditional fishermen and is totally committed to protecting their interests and improving their economic condition by providing greater incentives to them."*

—Parliamentary statement of Indian Minister of Food Processing Industries Shri Tarun Gogoi, 15 December 1994

■ *"It took a fast of eight days, mounting of pressure due to parallel actions at various places including a dharna at Delhi, raising of the issue in the parliament by various MPs to finally force the Government to agree to enter into a dialogue with the agitating fisherpeople. This mode of action has been so often repeated that it [has] now almost become an integral part of all mass movements. The raising of issues, by themselves, never manages to attract the attention of this blind State apparatus; it has to be forced."*

—Update from Delhi, Update Collective, June 1995

conditions) by hoisting black flags on their boats, wearing black badges, and staging marches on Government offices. In Kerala, the NFACAJV submitted a petition to Government officials signed by 20,000 people calling for the withdrawal of joint venture licenses.⁴

—In November 1994, some one million fishworkers from nine maritime states went on strike for two days. Virtually all fishing activity and retail and processing operations were suspended. In some areas, small-scale fishers surrounded foreign vessels and prevented them from going to sea, while in others people showed their backing with rallies, sit-ins, and fasts. Several hundred Indian Members of Parliament wrote the Prime Minister in support of the NFACAJV's demands, while five maritime state governments did the same to the Minister of Food Processing Industries (who oversees the deep sea fishing policy). All of India's central trade unions endorsed the

strike, as did Narmada Bachao Andolan as well as Canadian fishing organisations and the environmental group Greenpeace.⁵

—In December 1994, the Minister for Food Processing Industries promised to issue a freeze on new joint venture licenses, a pledge he quickly broke.

—Thus, in May 1995 NFACAJV's Convenor (and NFF head) Thomas Kocherry launched an eight-day fast in front of the birthplace of Mahatma Gandhi (in the coastal state of Gujarat), while across India there were numerous agitations including strikes, auto rickshaw rallies, children's rallies, petition drives, road blocks, sit-ins, picketing, and silent marches. Well-known Indian intellectuals lent their name to statements supporting the protests, and under pressure from Members of Parliament belonging to right, center, and left political parties, the Minister for Food Processing Industries asked the NFACAJV to call off the fast and other agitations and meet with

him and 13 MPs.⁶

At the meeting, the Minister agreed to concessions such as no new joint venture licenses pending a full review of the deep sea fishing policy, no extension or renewal of licenses already given, and the withdrawal of licenses for the most destructive types of fishing by foreign investors.

The Minister reneged on all his assurances, however. Currently, the NFACAJV is organising a day of blockades of harbor mouths all along India's coast, to be held on 23 November 1995.

Some Reasons For the Campaign's Success

One reason the fishworkers have so readily mobilized resistance to joint ventures in the last year and a half is that they have had several decades of experience staging protests against threats to their livelihood, especially from large-scale commercial industrial fishing. Historically, fishworkers have been organised at the local or state levels; the National Fishworkers' Forum gives them a national platform to voice grievances about problems which often have common origins. Thomas Kocherry would next like to internationalise the network.

But there are more current reasons for the success of the joint venture campaign's mobilisation so far. The 1993 seminar between the small mechanised and artisanal fishing sectors was the first such occasion in history, and the capacity of these traditionally opposed groups to engage in a coalition has strengthened the struggle. The National Fishworkers' Forum in particular has demonstrated an exceptional ability to organise support across class, religious, and political affiliation.

The NFACAJV has presented its case with well-documented arguments, with most if not all its material coming from within India. Information exchange has been an integral aspect of networking. The fishworkers themselves are a key source, but the Campaign has also used government data, including from the Ministry of Food Processing Industries, and has profited from insights provided by retired government fisheries scientists. Moreover, it has effectively tapped into investigative journalists sympathetic to its demands as well as business interests in competition with the foreign investors. Lastly, the Campaign and the Indian fishworkers' cause generally has benefitted from the efforts of researchers/activists such as John Kurien, who through international publications has been able to broaden awareness outside India about the issues and struggle.⁷ ■

Notes

1. Mukul, "Enter, the big fish," Frontline, 26 August 1994.
2. For problems caused by the deep sea fishing policy, see various material from the NFF including "Deep Sea Fishing: The Need for A New Policy Approach" and "Deep Sea Fishing Policy Ministry's Arguments and Our Counter Arguments."
3. Interview with Thomas Kocherry.
4. "Black Day Observed -- Fishworkers march to MPEDA office," Indian Communicator, 20 July 1994.
5. "Fisheries strike near total," Indian Communicator, 24 November 1994.
6. "Widespread support for fishermen's struggle," Indian Communicator, 8 May 1995; NFACAJV campaign letter, 15 July 1995; and notes from NFACAJV meeting, 1 July 1995.
7. See for example John Kurien, "Joint Action Against Joint Ventures -- Resistance to Multinationals in Indian Waters," The Ecologist, vol. 25, no. 2/3, March-June 1995.

Campaigns' Insights and Lessons

With the example of Union Carbide in Bhopal as a historical landmark and tragic illustration of the consequences of unaccountable TNCs, there is in India a rich diversity of activism challenging India's open door to foreign investment. Some of these campaigns have focussed on specific project proposals, such as those against Cargill, DuPont, and Enron, whereas activists working on Nestle and the deep sea joint ventures have aimed at overall legislative or policy changes.

Regardless, these campaigns reaffirm the hope that popular movements can weaken and on occasion render powerless the mightiest of transnational corporations. The achievements of India's TNC campaigns are all the more striking because while such challenges have never been easy, recent economic and political trends worldwide have made the struggle more difficult.

Since World War II, and particularly in the past two decades, it has become clear that TNCs enjoy tremendous political influence. This power often rivals that of national governments, especially now as less-industrialised countries desperately try to attract TNC investment in the hope that it will bring capital wealth, new technology, and jobs. Nations in the North where transnationals are based frequently function as lobbyists for their TNCs abroad, as US Energy Secretary Hazel O'Leary demonstrated vividly when she warned the Indian Government: "The fate of the Enron project would decide whether other US companies would remain interested in investing in India."¹ By issuing such a thinly-veiled

threat, the United States government revealed (again) how closely aligned are its interests with those of US-based TNCs.

In India, besides the Central and State Governments which have been promoting TNC-led foreign investment with ever increasing vigor, dominant segments of society and a large number of interest groups support the influx of transnationals. These include the upper and upper-middle classes as well as industry and trade bodies such as the Confederation of Indian Industries (CII) and the Federation of Indian Chambers of Commerce (FICCI). As they strategise and plan activities, campaign groups should be aware of those sections of India's polity and society which endorse the country's open door to foreign investment. This can lead to targets for the campaigns other than the corporation itself, as the direct public pressure exerted on the Central and State governments in the Cargill, Nestle, Enron, and fishing joint venture cases shows.

With Enron, such public pressure has apparently helped increase the bargaining power of the Maharashtra State Government. After the announcement of cancellation of the contract in August, Enron initiated legal proceedings against the Maharashtra Government for compensation. This move has led to significant change in the State's position, and now both Maharashtra Government and Enron has decided to renegotiate the project on terms acceptable to both parties. This change in State's position has, once again, activated campaigners who feel that people's aspirations have been betrayed by the State gov-



Media Relations

Being able to use the local, national, and international media effectively is as vital a part of TNC as any other campaigning. Corporations are often very sensitive about their public image, and by using the media successfully you can damage that image, sometimes seriously. You should spend some time seeking out potentially interested or sympathetic journalists, developing a media list for newspapers, radio, and television reporters, and then cultivating your contacts for events or other campaign work. Knowing the issue and having solid materials are crucial, as Rainforest Action Network's Mitsubishi campaign manual notes: "The better rapport you can establish with a contact, the more likely it is that your event will get

coverage....Make sure you are well-informed on the issue and can answer questions concisely. Educate them [reporters] on the issue so they will get the facts straight. Provide them with a copy of background material. If you don't have an answer to a question, don't fake it. State that you want to get the facts right, and that you will find out the information and get back to them. Maintaining good relations with the media and showing credibility is also important if you or your group plan to organise other media-worthy events throughout the year and get coverage." ²

Rainforest Action Network also provides many other practical tips:

- when you've planned an event to highlight your issue, inform news contacts well in advance (unless the element of surprise is very important);

- stress the newsworthiness of issue and if there will be certain activities which may spark the reporters' interest;
- keep the release short and simple -- two pages at most, double spaced and clean;
- call your media contacts the day of the event;
- be sure to have press information packets available;
- designate a person to speak with the media (greet them at outset of the event, etc.), be well prepared to answer reporters' questions (you may want to practice beforehand), and keep the media informed about what is happening during the event; keep track of any coverage and share it.

ernment. Thus, they have now decided to relaunch the campaign against the Enron project. It remains to be seen how the talks will turn out, but the lesson from this episode is that political will in a government backed by widespread citizen support can tame a TNC.

Moreover, the announcement of cancellation of Enron project has led to major shifts in general policy-making. India's Central Government has now proposed to

make amendments in the country's power policy, including requiring mandatory competitive bidding and the removal of assured returns on investment. Thus, the overall policy announced just several years ago to lure TNCs to the power sector is under review, largely because of the vigorous and successful campaign against Enron.

The experience of not merely the Enron campaign but of virtually all the campaigns indicates how beneficial it can be to

Spreading the Word

In addition to using the media, another way to publicize your issue widely is through letter writing networks. For example, Global Response Environmental Action Network (PO Box 7490 Boulder, Colorado 80396 USA tel./fax 1303-444-0306 Contact: Malcolm Campbell) is an international environmental letter-writing network which produces a monthly newsletter, "Global Response Action," that highlights a specific environmental and social threat which is commonly associated with corporate practices. The newsletter recommends actions to take and gives the names and addresses of the corporations or governments responsible. "Global Response Actions" have been published on hazardous waste

exports, resource exploitation, threats to indigenous people, species extinction, and nuclear disarmament. Recently, the newsletter was devoted to the issue of DuPont in Goa.

Global Response can be an excellent way to get the word out about your campaign; it has more than 7000 names -- school and university groups, letter-writing clubs, various organisations as well as individuals -- on its database, with members in over 50 countries. Global Response has also established a "Quick Response Network" which can alert members immediately via electronic mail to emergencies to publicise and counter threats to environmental activists and journalists working to protect their communities.

broaden the base of support and include groups and individuals from different socioeconomic, cultural, and political backgrounds. Backing from national-level platforms (e.g., Samajwadi Abhiyan in the Cargill campaign) also helps, as does the appeal to potent popular symbols (e.g., the salt march in the Cargill struggle or the anniversary of Goa's independence in the DuPont campaign) and effective use of the media.

Indian citizens need and should have the right to freer access of information about foreign investment projects from their Government. But secrecy is the rule in India, there are no legal provisions such as the US's Freedom of Information Act, and relatively little official information about TNC

projects is publicly available (hence, the fishworkers' have gone to retired government employees for material). A number of groups in India have discussed the need for a separate campaign for citizens' right to information, although this has not materialised. Yet this right is more essential than ever in an era of accelerating investment flows across national borders.

Linked to this issue is the significance of research and documentation support for TNC campaigns. This support work can provide valuable, in some cases crucial (e.g., in the DuPont campaign), economic, political, and technical information and arguments as well as material on the records of particular corporations. Whether such support came from within or outside India,

the struggles against Union Carbide, Cargill, DuPont, Nestle, Enron, and the fishing TNCs have all benefitted from well-organised, persuasive research and documentation.

While there is a history of information exchange between Indian and North American and European organisations, there has been relatively little networking in South Asia or Asia as a whole. By and large, campaigns against transnationals including those of victims' groups in India have remained local or national. Again, with TNCs moving more rapidly across the globe, it is increasingly important that Indian activists strive to build transboundary alliances in Asia and beyond. Campaigns such as that of the fishworkers recognise this need and are trying to internationalise their work.

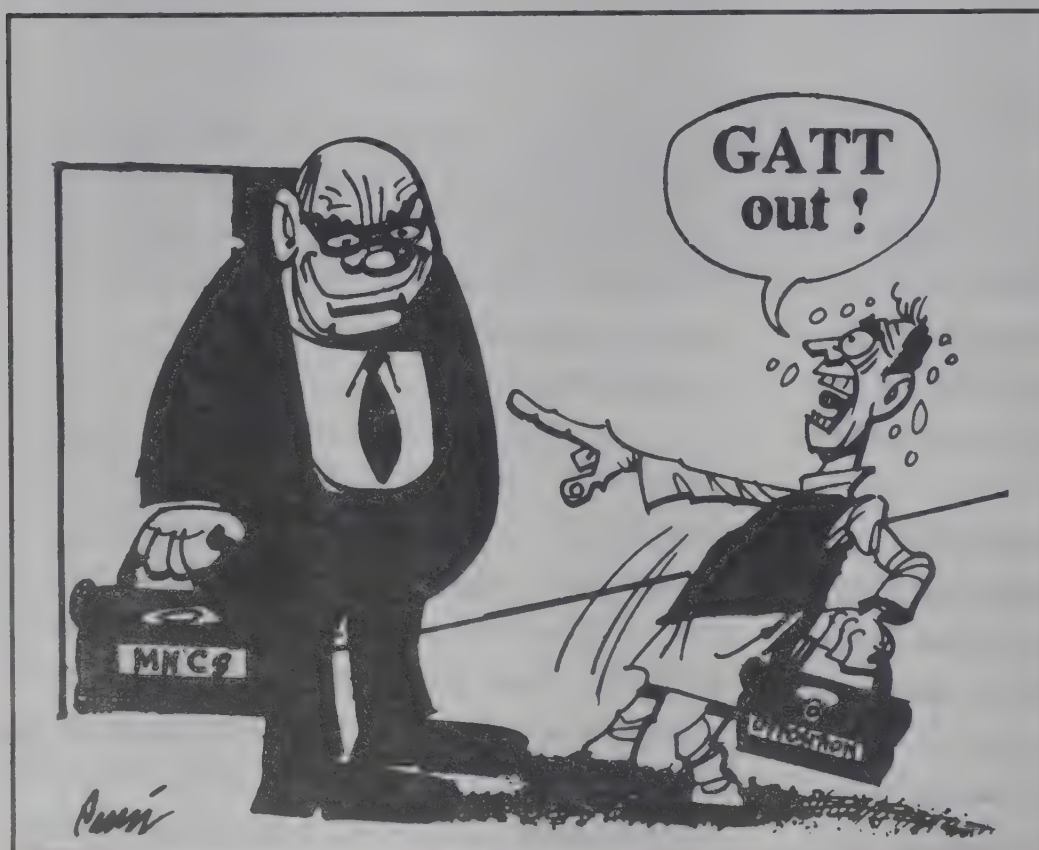
Individuals and groups working on TNCs should also expand their alliances because TNCs themselves are joining hands in the face of public opposition. For instance, in India Pepsi and Coca-Cola, though economic rivals in the global soft drinks

industry, have recently decided to work together and formed the Soft Drinks Association to address anti-Pepsi and anti-Coke campaigns launched by the right-wing organisations Swadeshi Jagran Manch and RSS as well as socialists backed by Samajwadi Abhiyan.³ This is just one example of TNCs mobilising politically around the world to protect or further their business interests.

Activist Resources in India

As the case studies showed, organisations and individuals in India have used a variety of approaches in their campaigns against TNCs. In addition to legal approaches and lobbying, they've staged rallies and demonstrations, sit-ins, blockades, public meetings, and street theater. Groups such as **Jan Natya Manch** (8, Vittalbhai Patel House, Rafi Marg New Delhi 110 001 Contact: M. Hashmi) and **Nishant Natya Manch** (A-2/15, Model Town, Delhi-110 009; Contact: Shamsul Islam) put on interesting and humorous street plays to inform people about TNCs as well as GATT and World Bank issues. These groups have organised hundreds of street plays throughout India.

Other groups have produced posters, pamphlets, leaflets, newsletters, and books to get the word out about their cause. Activists have also used the mainstream regional language press to disseminate information about TNCs; often, these publi-



cations are more supportive of TNC campaigns than the national English-language newspapers. In this regard, the feature service in Hindi which **Azadi Bachao Andolan**, **Sarodaya Press Service** (29 Samvada Nagar Navlakha Indore 452 004 Contact: Mahendra Bhai), and the **Public Interest Research Group**, bring out, have been extremely helpful in educating people in rural and remote areas of India about transnationals.

Many other Indian organisations and individuals have campaigned on or researched TNCs. The following list, which is supplemented with other Indian and non-Indian resources in subsequent chapters, provides the names of some of these activists. The list is arranged by corporate industrial sector, with indication given if the person or group has been involved with a particular campaign.

Fisheries

Orissa Krushak Mahasangh (14 Ashoknagar, Bhubaneswar 751 009; Contact: Banka Behari Das) This organisation has been very active in local campaigns on aquaculture in Orissa.

National Fishworkers' Forum (Chairperson's Office 41/1771, Veekshanam Road, Kochi 682 018; Contact: Thomas Kocherry) NFF is spearheading the fight against the deep sea joint venture policy.

Chemicals

Bhopal Gas Pidet Mahilla Udyog Sangthan (BGPMUS) (51, Rajendra Nagar, Bhopal 462 010; Contact: Abdul Jabbar Khan) BGPMUS has worked with Bhopal victims for over a decade.

Bhopal Group for Information and Action (BGIA) (18/1, Nagar Nigam Colony, Berasia Road Bhopal 462018; Contact: Satinath Sarangi) BGIA has worked on the Union Carbide campaign and is a key source of information about the company.

Delhi Science Forum (B-1, II floor, LSG J-Block Saket, New Delhi-110 017; Contact: Dr. Usha Menon) The Delhi Science Forum works on the pharmaceuticals industry.

Drug Action Forum, West Bengal (S/3/5, Srabani Sector, III Salt Lake, Calcutta-700 091; Contact: Dr. Surjit K. Das) Drug Action Forum also works on the pharmaceuticals industry.

The Goa Foundation (Above Mapusa Clinic, Mapusa, Goa-403507; Contact: Claude Alvares) The Goa Foundation was one of the key groups which campaigned against DuPont.

Consumer Goods

Breastfeeding Promotion Network of India (BP-33, Pitampura, Delhi 110 034 Contact: Dr. Arun Gupta) BPNI monitors corporations' violations of the baby foods law.

Samajwadi Abhiyan (3 Krishna Menon Marg, New Delhi 110 001; Contact: George Fernandes) Samajwadi Abhiyan helped to galvanise resistance against Cargill and has been actively involved with the campaigns against Coca-Cola and Pepsi.

Power Generation

Swadeshi Jagran Manch (SJM) (60, North Avenue, New Delhi-11000; Contact: S. Gurumurthy) is very active on the Enron Campaign. Closely linked with right-wing RSS, SJM is also involved in campaigns against Pepsi and Coke.

Prayas (Amrita Clinic, Athavale Corner, Karve Road Corner, Deccan Gymkhana, Pune-411 004; Contact: Girish Sant) Prayas is a non-governmental organisation involved in research on alternative sources in India. Prayas conducted some of the key critical research of the Enron proposal.

Enron Virodhi Sangharsh Samiti (Dabhol District: Ratnagari, Maharashtra-415 706) This was the leading local campaign group against Enron.

National Working Group on the Power Sector (J-152, Saket, New Delhi 110 017; Contact: K. Ashok Rao) This group is an independent think-tank set up, recently, to monitor developments in the Indian power generation sector. It was one of the first organisations to criticise the Enron proposal on technical and financial grounds.

Sampoorna Kranti Vidyalaya (Vedchhi Gujarat-394 641; Contact: Dr. Sanghamitra) Sampoorna Kranti Vidyalaya campaigns against nuclear energy.

Tourism

Jagrut Goenkarachi Fouz (JGF) (2 Liberty Apts., Feira Alta, Mapusa) JGF works to mobilise people against tourism in Goa.

Equations (168, 8th Main, Near Indiranagar Club, Bangalore-560 008; Contact: K.T. Suresh) Equations is a research and information group involved in tourism-related issues in India.

Biotechnology

Gene Campaign (F-31, Green Park (Main), New Delhi-110 016; Contact: Dr. Suman Sahai) Gene Campaign works on issues relating to TNCs' entry into biotechnology and the seeds business in India.

On TNCs in general

Azadi Bachao Andolan (Gandhi Bhawan, Chaitam Lines, Allahabad 211 002; Contact: Banwarilal Sharma) This group is active in raising awareness on TNCs issues in North India. It also brings out popular educational materials, including feature service on TNCs in Hindi language.

Shankar Brahme Samaj Vidnyana Granthalaya (129, B/2, Erandavane, Law College Road, Pune-411 004; Contact: Sulabha Brahme) This group was very active in the struggle against Enron, and bought out literature in the Marathi language.

Bharat Jan Andolan (BJA) (A-37 Nanglirajapur, Nizamuddin East, New Delhi 110 013; Contact: B.D. Sharma) BJA is a people's movement to free India from neo-colonialism, foreign debt, and TNCs.

Economic and Political Weekly (Hitkari House, 284, Shahid Bhagat Singh Road, Bombay-400 001; Contact: Krishna Raj) A leading Indian journal of economic and political affairs which periodically covers TNC issues including foreign investment and privatisation.

Centre for Education and Documentation (CED) (3, Suleman Chambers, 4 Battery St., Behind Regal Cinema, Bombay 400 039) CED has an extensive paper clipping service on TNCs and foreign investment. ■

Notes

1. "US Envoy Expresses Regret for O'Leary Threat over Dabhol," *The Economic Times*, 5 June 1995.
2. Rainforest Action Network, *Boycott Mitsubishi Campaign International Organizer's Manual*, 1992, p. 36.
3. "Coke, Pepsi to Counter RSS Anti-MNC Campaign Jointly," *The Economic Times*, 6 September 1995.

How to Research on TNCs ?

As indicated in Chapters 1 and 2, transnational capital today flows increasingly unfettered across national boundaries, and in particular across India's border. To strengthen the effort to resist the dangers posed by unaccountable TNCs, community citizens' groups, trade unions, environmentalists, consumer protection advocates, human rights activists, and others need to be aware both of the international dynamics of corporate mobility and of the variety of individuals and organisations who may be engaged in similar struggles.

This chapter and subsequent ones are designed to help you research information about overarching foreign investment trends, about individual TNC or TNCs, including issues such as business lines, finances, legal problems, and labour, health and safety, and environmental records, etc., and also to investigate various corporate industrial sectors such as chemicals or fisheries. Some though not all the resources listed in these chapters may be able to help with more than one type of information.

Most of these resources are outside India, and Indian activists are encouraged to use them actively. In a recent booklet on TNCs, Tim Jenkins of **Friends of the Earth United Kingdom** (FOE England, Wales and Northern Ireland 26-28 Underwood Street London N1 7JQ UK tel. 44 171 4901555) and David Hunter of the **Center for International Environmental Law** (see address in **Chapter 9**) suggest three important reasons for international cooperation among groups challenging deregulated corporate power:

"First, in order to gain a full picture of an MNC's [multinational corporation's] operations, information must be gathered from different countries and in particular the MNC's home country. Second, MNCs feel pressure far more if it is being applied in more than one country. Third, one of the most damaging types of evidence against an MNC is that it operates at different ...standards in different countries, i.e., double standards."¹

The emphasis on international perspective in no way lessens the vital importance of local and national work on corporations. The point is that dissemination and exchange of information among individuals and organisations across the world can be a helpful and in some cases necessary component of people's resistance to the depredations of TNCs. As the Rainforest Action Network notes about its campaign against the destructive forest practices of Mitsubishi: "[I]t appears that environmentalists have been most effective when unified international action has resulted in the shaming of Mitsubishi. The sharing of information among involved activists has been critical."

²

Not just environmentalists benefit from international cooperation. Several years ago, the US TNC Campbell Soup Company threatened to shift some operations from the United States to Mexico if American tomato pickers demanded higher wages. The Farm Labor Organizing Committee, a trade union, discouraged the move by helping its Mexican counterpart to win a stronger contract. And another US trade union, the International Association of Machinists, has helped

South African workers get rehired at a TNC by threatening to make their struggle part of the US union's negotiations with the company.³

A Note on Research

Researching TNCs involves the same skills as every other research project: patience; persistence; politeness (usually); and an open minded approach to any and all possible sources which might be useful. These sources can include: corporate business directories; national, regional, and local newspapers; wires from press agencies; company annual reports and promotional materials; interviews with or speeches of corporate executives; human sources such as workers, community members, journalists, lawyers, etc.; industry association literature such as trade journals; business or economic magazines; scientific journals; magazines which cover a particular geographic region; magazines, newsletters, or other information -- including corporate case studies and reports -- from trade unions, environmental groups, voluntary associations, or other non-governmental organizations; activist network publications; videos; United Nations documents; data and records from governments; publicly available testimony given before government committees; court records.... And so on.

We will discuss most of these sources in more detail later, and provide annotated listings for some as well. But first a few general pointers on research.

The word "research" as it is used in this guide does not mean gathering information for the sake of gathering information, although it certainly can -- and in some cases should -- include general background study. But even one TNC is often a big, diverse,

and complex subject, and as suggested above corporate information sources may be widely scattered about. So it is important to decide early on not just why you want to learn more about a company or companies, but also how you wish to organise and use the information you discover. Thinking this way will provide direction and focus for your work, and thereby set limits to the investigation. You may still go through a large amount of material, but you will do so more efficiently and effectively.

Corporations rarely welcome close scrutiny and are happy if you give up easily. Don't satisfy them! Unless you have convincing confirmation otherwise from several sources, assume that the information you seek exists and that you can get it if you find the right person or place. Before you dive headlong into your own investigation, begin by trying to find out -- by telephoning, faxing, or writing letters -- if any individuals or groups already have the information you want or know anyone who does; typically, one contact will lead to another, which leads to another, and the ball is rolling. Remember always to ask people you speak with who else might be able to help. Given TNCs' wide geographic scope, this important first step may well require international networking; part of the purpose of this booklet is to point to resources in a variety of countries to assist you in this process.

Of course, sometimes you simply will not be able to find what you're looking for. Hitting such a wall can be useful, because the lack of information may itself be a noteworthy issue and because your search may have opened up other, unexpected avenues of inquiry.

Any good researcher should document sources of information thoroughly

Presenting Your Case Persuasively

Collecting information is one task. Organising it coherently and persuasively is another. Even before beginning your research, you should have your goals clearly in mind and have developed an organisational structure to help guide you to them. Below are examples of publications -- manuals, investment analyses, empirical case studies, books with interviews -- which critically address TNC power in potentially useful ways. They are not intended to serve as models, but rather to indicate a range and variety of approaches others have tried.

■ The Rainforest Action Network's Boycott Mitsubishi Campaign -- International Organizer's Manual (1992) is distinguished by its comprehensive and detailed description of the Mitsubishi Group: the conglomerate's history; the cross-ownership structure of its members; its corporate culture; a brief introduction to destruction of the world's rainforests; and a global survey of Mitsubishi's activities. The manual provides an analysis of the campaign to boycott the products of a TNC. It gives a point-by-point response to the Mitsubishi's denials and its environmental claims. RAN's manual also suggests specific campaign "action ideas," gives practical advice on issues such as dealing with the media, and lists key campaign contacts and Mitsubishi target contacts.

■ The Christian Conference in Asia's Minangkabu! Story of People vs. TNCs in Asia (published in 1981 but still relevant today) is a book which discusses TNCs from several angles. It examines how TNCs dominate the Asian economy and questions the "benefit myths" commonly associated with TNC investment, e.g. that TNCs will bring much-needed capital and foreign exchange. It analyses ways at the grassroots, national, and international levels people can challenge TNCs. Lastly, the book looks at the impact TNCs have on the life of Asian industrial workers, fisherfolk, and others by providing people's "stories" about their plight.

■ Corporate Power and the American Dream -- An Economic Workshop for Working People, produced in 1995 by the US-based Labor Institute (members of the Oil, Chemical, and Atomic Workers Union), is a manual which examines US trade

union membership in an era of deregulated investment and intensified global competitiveness, the causes behind rising corporate power, and the health, safety, and environmental effects of this increased power. Designed to spark discussions among workers, the manual addresses these issues in an easy-to-read manner with the help of numerous illustrative graphs and charts.

■ The IBON Philippines Databank and Research Center's TNCs -- In the Thick of Everything (1994) is an exceptionally well-detailed critical analysis of TNCs' impacts in the Philippines. Its strength is on economic issues: the various arrangements between TNCs and domestic firms; the financial performance of TNCs and their subsidiaries; TNCs' collusive relationship with transnational banks; and the government's policies regarding foreign investment.

■ Greenpeace International produced the Greenpeace Book on Greenwash (1992) to call attention to TNCs' efforts to dominate the agenda of the 1992 United Nations Conference on Environment and Development. The publication provides brief, factual discussions of nine major TNCs in the oil, chemicals, forestry, nuclear power, and other sectors, highlighting the discrepancy between their claims (advertising, rhetoric, etc.) about the environment and their actual practices, i.e., "greenwash." Additionally it provides a critique of several voluntary codes of conduct which TNCs have adopted in an effort to demonstrate their environmentalism.

■ The publication of Bombay-based Research Unit for Political Economy, Arms of an Octopus -- Siemens in India (1990) presents a case study to provide the evidence for theoretical formulations on TNCs. It gives an empirical analysis of the German TNC's operations worldwide, its Indian collaborations and relationships between parent and subsidiaries, and the company's penetration into the public sector. The report explains how Siemens's technology was not always appropriate for India, had a negative effect on employment generation, and shows that the corporation's investment drained foreign exchange from the country.

(of course with the necessary discretion if an arrangement of confidentiality was made). For the researcher investigating some of the most powerful institutions on earth, and which sometimes take to court those whom they perceive as threats, such documentation is an occupational necessity. Keep track of the dates and names of people with whom you have conversations and be sure that any notes or photocopies you make are referenced completely. If you're writing a critical report on a TNC, be liberal when listing your reference sources; it will show you've done your homework and help deflect criticism from opponents.

It is obvious but important to note, however, that the best referencing cannot make up for inaccurate use of sources. Moreover, even 100 per cent accuracy cannot guarantee that a corporation will not initiate a court action merely to quash information or dissuade you or others from such work. This possibility should not -- indeed must not -- deter you from challenging TNCs, but it should be borne in mind. If you have questions or concerns, ask a more experienced investigator or a libel lawyer for advice.

Researching Overarching Issues

Sources for General Trends

While perhaps not essential to the researcher investigating a particular transnational corporation, a sense of the history of international business, an awareness of the ways an individual company is part of the global corporate, and indeed capitalist, system, and exposure to various analyses of the relationship between TNCs and issues such as national sovereignty or free trade as well as

critiques of TNCs' general impacts can be enormously useful (and interesting). Knowledge of the contexts -- historical, political, socioeconomic, cultural, ecological -- of TNCs' operations can only strengthen your understanding of the activities and effects of a given TNC.

The following is a brief list of books which examine transnational corporations with a wide angle lens. These books offer differing perspectives on the role and impacts of TNCs and can be particularly useful either because of their incisive analyses or comprehensive information, or both. Though general overviews, all are substantively detailed. Moreover, their bibliographies open up a world of further reading on corporations:

Raymond Vernon, Sovereignty at Bay (1971), which explores the thesis of TNCs and the loss of sovereignty of nation-states; Constantine V. Vaitsos, Intercountry Income Distribution and Transnational Enterprises (1974), a densely argued, empirical analysis of TNCs' activities and their effects on the generation and distribution of income in the less-industrialised world, with an insightful chapter on transfer pricing; Richard J. Barnet & Ronald E. Muller, Global Reach -- The Power of the Multinational Corporations (1975), one of the pioneering critiques of TNCs' worldwide influence; Dalip S. Swamy, Multinational Corporations and the World Economy (1980), excellent for its analysis of transnationals' impacts on less-industrialized countries, its discussion of TNCs and foreign capital in India, and its introductory survey of varying schools of thought on TNCs; Rhys Jenkins, Transnational Corporations and Uneven Development (1987), a useful, detailed, economically technical introduction to TNCs; John Dunning, Multinational Enterprises and the Global Economy (1993), which provides a wealth of current and historical data and information; and Richard J. Barnet and John

Cavanagh, Global Dreams -- Imperial Corporations and the New World Order (1994), a follow-up to Global Reach, notable especially for its discussion of the ways TNCs have extended their cultural influence.

The literature on the relationship between free trade and TNCs is large and growing, and Global Dreams cited above has a good discussion of this subject. There are also several booklets or papers which concisely and cogently analyse the benefits TNCs derive from deregulated free trade: Kristin Dawkins, NAFTA, GATT & The World Trade Organization -- The Emerging New World Order (Open Magazine Pamphlet Series, 1994); Harris Gleckman and Riva Krut, Business Regulation and Competition Policy -- The Case for International Action (Christian Aid, 1994); and Herman Daly and Robert Goodland, An Ecological-Economic Assessment of Deregulation of International Commerce Under GATT, draft (The World Bank Environment Department, 1993).

For additional information, or for advice about where to pursue issues mentioned above, a researcher might contact:

- **The Institute for Policy Studies** (1601 Connecticut Avenue NW Washington, DC USA tel. 1202-234-9382 fax 1202-387-7915. Contacts: John Cavanagh and Sarah Anderson) This research institute has produced a great deal of material on TNCs including about their global scope and economic, political, and cultural sway, their social impacts on issues such as employment, exorbitant compensation of US corporate executives, the relationship of TNCs and free trade agreements, and corporate codes of conduct. Cavanagh has written extensively on transnational corporations, co-authoring most recently Global Dreams with Richard J. Barnet, cited above.
- **Benchmark Environmental Consulting, Inc. (BEC)** (33 Bartlett Street Portland, Maine 04103 USA tel. 1207-775-9078 fax 1207-772-3539 Contacts: Harris Gleckman and Riva Krut) BEC conducts research and policy projects on issues involving international business regulation, social and economic development, and environmental protection. It also does policy consulting work for regional and international environmental planning as well as research on environmental policy and analysis, corporate environmental principles and practices, and democratic processes and citizen participation in international and environmental issues. BEC has produced a number of innovative reports on problems arising from the lack of restraints on corporate behavior: "The global social benefits of regulating transnational corporations," (\$US10); "Sustainable development and TNCs: the need for a new conceptual model" (US\$ 10); and "International business regulation and competition policy: the next arena for international action," cited above and available free from Christian Aid (PO Box 100 London SE1 7RT UK tel. 44 171 6204444 fax 44 171 6200179).
- **Third World Network (TWN)** (228 Macalister Road 10400 Penang, Malaysia 604 2293511/2293713 fax 604 2264505) TWN is an international network of organisations and individuals which works to bring about greater attention to the needs and rights of people in Asia and the Pacific, Latin America, and Africa as well as to environmental problems in those regions. TWN integrates discussion of these social and ecological issues with a focus on general and specific economic trends relating to TNCs, free trade, and multilateral development banks. Additionally, TWN has regular publications including the monthly Third World Resurgence (annual subscription for Third World groups and individuals US\$30 airmail,

US\$15 surface) and Third World Economics -- Trends and Analysis (annual subscriptions in Third World countries US\$60 airmail, US\$40 surface), published fortnightly.

Sources on Foreign Investment

Overarching quantitative data on TNCs and foreign investment may seem a bit dry, but an awareness of this material is recommended for at least three reasons. First, knowing the extent of transnationals' collective economic growth and expansion helps one understand the increasingly important political and cultural role TNCs play in world affairs. Second, these "big picture" analyses provide helpful insight into geographic trends of corporate investment, including shifts such as the recent major increase in FDI to certain less-industrialised countries. Third, the aggregate information can contain useful facts and figures on individual TNCs.

The most comprehensive overarching information on TNCs and foreign direct investment (FDI) comes from the former **United Nations Centre on Transnational Corporations (CTC)**, now called the **Division on Transnational Corporations and Investment** (part of the UN Conference on Trade and Development, or UNCTAD), which since the late 1980s has produced the World Investment Report series [this series actually has three predecessors: Multinational Corporations in World Development (1973); Transnational Corporations in World Development—A Re-Examination (1978); and Transnational Corporations in World Development Third Survey (1985)].

The World Investment Reports,

published annually since 1991, are filled with data on the "universe" of transnationals, with special attention to the top 100 TNCs ranked by foreign assets, as well as on global trends in foreign direct investment (and recently, portfolio equity investment and private loans by commercial banks), organised by geographic region and industrial sectors. In particular, these volumes chart the dramatic growth of FDI since the mid-1980s among the industrialised world's "Triad" (the US, Western Europe, and Japan) and to less-industrialised regions. They also discuss liberalisation of investment (and trade) rules nationally and internationally, and privatisation. The series includes:

- Transnational Corporations in World Development -- Trends and Prospects (1988)
- 1991 The Triad in Foreign Direct Investment
- 1992 Transnational Corporations as Engines of Growth
- 1993 Transnational Corporations and Integrated International Production
- 1994 Transnational Corporations, Employment and the Workplace

The volumes have become more comprehensive and sophisticated in their presentation of data over the years, and contain many useful summary charts and graphs. In addition to macro trends and chapters on specific issues such as TNCs and employment, they also include a number of short "boxes" with more detailed information on particular topics. It must be said, though, that the considerable factual data is often more valuable than the issue and topical analyses.

Recent volumes have cost around US\$45-50, but you should check to see if a good public or university library carries them. They all have executive summaries,

however, which are usually free-of-charge for non-governmental organisations. Additionally, each Spring, coinciding with annual meetings at the UN on TNCs and investment, the Division releases a series of individual working papers, usually 25-30 pages long each, which provide much of the same factual information, but without the analytical discursions, as is included in the World Investment Report published later in the year, especially on the latest FDI figures and trends and on the "universe" of TNCs. These are also free and can be extremely informative.

To request the free executive summaries and individual working papers, contact: the Division's Liaison Office at UNCTAD in New York City (tel. 1212-963-3817 fax 1212-963-0027); or the main office (Division on Transnational Corporations and Investment, Room E-8006, Palais des Nations, CH-1211 Geneva 10 tel. 41 22 9071124/9075707 fax 41 22 9070194). For sale of the World Investment Reports or other documents, contact the Sales Section (United Nations Palais des Nations CH-1211 Geneva 10 tel. 41 22 9171234 fax 41 22 9170123).

Additionally, the former Centre on Transnational Corporations (CTC) published a six volume series of the World Investment Directory in the early 1990s, divided up geographically ("Asia & the Pacific," "Developed countries," "Latin America & the Caribbean," "Africa and West Asia," "Central and Eastern Europe," and "Global Trends"), which provide a large amount of data on FDI trends throughout the 1980s. They give information on legal framework issues and some individual corporate data, and have useful bibliographies and source references for further work further. The CTC also published one volume

relating to India, Foreign Direct Investment and Technology Transfer in India, in 1992. It includes essays which survey FDI trends in India, compare the role of FDI in certain Asian countries, and review India's policy towards foreign direct investment.

Lastly, in 1991 the CTC published a useful document, Transnational Business Information A Manual of Needs and Sources, which lists additional resources for information on global and regional foreign direct investment trends as well as on a wide variety of business and industrial issues, and which includes paper and computer database sources. This volume costs US\$45.

Indian Sources on Foreign Investment

Most foreign investment into India has traditionally come as joint ventures, for which both government and non-government sources can provide information. Experts note, however, that the actual non-Indian firms involved may be hidden under some cover name, and that it is difficult over time to keep track of changes of ownership structure for individual joint ventures. Thus, the researcher should not necessarily consider the materials below to be the final word on foreign investment and collaboration projects in India.

The detailed Governmental sources on Foreign investments are given in *Chapter 10*. There are also a few non-government sources for foreign investment information which are mentioned below :

- **The Institute for Studies in Industrial Development (ISID)** (Narendra Niketan, I.P. Estate P.B. No. 7151 New Delhi 110 002 tel. 91 11 3318073 fax 91 11 3711192 Contact: K.S. Chalapati Rao) has published several volumes of Foreign Investment Approvals: An Analysis

(Project Report for the Department of Economic Affairs Ministry of Finance) with chapters overviewing foreign investment proposals as well as technical collaborations and investors' perceptions. The ISID is a public-funded social sciences research institute, and among other functions it maintains a large quantity of files and computer data bases on the Indian economy in general and especially industrial sectors and corporations including TNCs.

The ISID has had a clipping service since 1990 which collects articles from 16 of India's major newspapers, including those which focus on business and economics. Among other issues, articles clipped cover TNCs, foreign investment, banking, and trade as well as sectoral areas such as food and agriculture, chemicals, motor vehicles and road transport, energy, electronics, oil and gas, and tourism. Additionally, the ISID has on-line computer capacity which offers access to over three dozen Indian journals devoted to political, economic, and business affairs. The ISID has a library in its Delhi office which is open for browsing to most researchers. Additionally, the Institute answers requests for information and articles. While it prefers these requests to be made via electronic mail, it also responds to hard copy inquiries. All such inquiries should be as specific as possible. The ISID decides whether or not to charge for its services on a case-by-case basis, with the main determinant being any commercial interest the individual or group requesting the information may have.

■ **The Research Unit for Political Economy (R.U.P.E.)** ("Peter Marcel" No. 18 Plot 941/941A Opp. Prabhadevi Temple Prabhadevi Bombay 400 025 tel. 91 22 4220492), constituted under the People's Research Trust, compiles and analyses economic information and statistics, and strives to present its research in a concise, easy-to-understand format. It publishes a quarterly bulletin, Aspects of India's Economy (annual subscription 30 rupees), which examines the effects of liberalisation,

globalization, and increased foreign investment, and has produced a comprehensive report on the Indian activities (and their impacts) of the German TNC Siemens (Arms of an Octopus -- Siemens in India, published in 1990).

■ **The Research and Information System for Non-Aligned and Other Developing Countries (RIS)** (India Habitat Centre Zone IV 4th floor Lodhi Road New Delhi India tel. 91 11 4628509/4617403 fax 91 11 4628068 Contact: Biswajit Dhar) provides analytical support to less-industrialized countries on various aspects of economic development. It has a library (Documentation Centre) with a good section of books specifically about TNCs (and issues such as their economic and political role globally and regionally, technology transfer, impacts on less-industrialised nations generally and on India especially, etc.) as well as many reports from the UN's former Centre on Transnational Corporations. RIS's library also contains numerous books and papers on economic subjects including privatisation, foreign investment, banking, UN publications with global trade, financial, and labor statistics, and also on sectors such as agriculture and biotechnology. Additionally, the library receives over a hundred Indian, Asian, and international economic journals. The Documentation Centre offers bibliographic, reference, and photocopying services, and is open to the public. ■

Notes

1. Tim Jenkins & David Hunter, Multinational Corporations and the Environment: An Introduction for Central and Eastern Europeans, Friends of the Earth European Coordination, Brussels, 1993, p. 39.
2. Rainforest Action Network, Boycott Mitsubishi Campaign -- International Organizer's Manual, 1992, p. 11.
3. David Moberg, "Like Business, Unions Must Go Global," The New York Times, 19 December 1993.

How to Investigate an Individual TNC ?

Organising Your Thoughts

There are obviously numerous issues you can investigate about a particular TNC. What are its main products? How has its business performance been in recent years? Who are the company's major stockholders and sources of financing? Where are the corporation's subsidiaries? Are the parent firm or subsidiaries violating occupational safety and health, environmental, financial or other laws or regulations? What is the company's relationship with workers and trade unions? Do the firm's manufacturing processes or other activities impact the lives and livelihoods of a wider community than just its employees? Are the TNC's policies or activities anywhere in conflict with national, state, or local political forces? This list of possible questions could continue for many pages.

When starting out, therefore, it often helps to have some organisational framework to shape your investigation of a given TNC. The following broad framework provides a wider range of areas than you would likely need, but which you may want to consider as you structure your corporate informational needs:

- ◆ **General and Administration:** company history; management structure and salaries; board members; corporate ownership (if a subsidiary, who is parent; if a publicly-traded parent firm, who are the main institutional investors; if a private company, is it owned by a single individual, family); law firm; bankers; insurance company;

relationship with government; political connections; membership in trade or business associations.

- ◆ **Company Business:** product lines; major markets and customers; rank in sector by production or market share; distribution channels; main competitors; mergers/acquisitions; strategies and ~~data~~ plans.
- ◆ **Company Structure:** divisional breakdown; number, location, and activities of facilities including foreign subsidiaries; plans to add or eliminate facilities.
- ◆ **Finances:** domestic and foreign sales, profits, and assets; indebtedness; new stock issues; foreign exchange transactions; litigation involving financial activity.
- ◆ **Labour Relations:** attitudes and tactics towards trade unions domestically and outside home country; contracts including collective bargaining agreements; employee profile; pension and insurance programs; labour law and occupational safety and health records including past or current litigation.
- ◆ **Environment:** attitudes and advertising; pollution record including violations, litigation, etc. at facilities including foreign subsidiaries; overall ecological impacts of company's industrial sector; double standards between practices in home and host countries.
- ◆ **Consumer Protection:** marketing practices and pricing; record on product safety; anti-competitive arrangements

including intellectual property regimes.

- ◆ **Human Rights:** social impacts, especially of foreign subsidiaries; benefits from oppressive governments which violate internationally accepted human rights standards.

The sources of information for inquiries into the above areas can be divided roughly and somewhat artificially into three categories:

- **The Corporation and Its Executives**
- **Paper Sources** (*including computerised data*)
- **Human Sources** (*other than the company's executives*)

A fourth category, sources of information in the United States Government that a citizen of any country can use, will be discussed in the next chapter.

A final section in this chapter will provide an annotated listing of non-governmental organisations or special interest groups which might be of interest and of help. While of course it will depend on your specific research needs, to investigate a TNC, and to provide both depth and breadth to your work, you must be willing and able to pursue all these kinds of sources. Rarely if ever does one suffice.

The Corporation and Its Executives

Researchers should not be shy about contacting TNC executives for information. As the experience of Goan activists fighting DuPont indicates, the direct approach proved valuable both as a source of information about the proposed project and as way of detecting discrepancies between corporate claims and practice.

If approached in the right way, executives -- especially in the larger TNCs

with relatively sophisticated public relations departments -- will usually answer general queries regarding strategy or product lines as well as questions about factual matters which are public record and which they think you could probably find elsewhere (such as the outcome of litigation). What the "right way" means depends on the researcher, the company, and the situation. Sometimes, you can be up front about who you are and why you're calling; at other times, you may wish to assume another identity, say of a student in economics, or perhaps one taking a business ethics course. You have to determine how great is the need for discretion and your ability to maintain a certain facade. Needless to say, not all corporate executives will wish to answer your questions whoever you say you are.

Virtually all major publicly-traded corporations publish **annual reports**, the primary document they use to communicate with shareholders (frequently, the biggest foreign subsidiaries of the parent firms will publish their own annual report as well). Any one can get an annual report simply by asking.

The annual report is the corporation's profile of itself and since it is not a legally required document, companies have wide latitude over what information they choose to include. Often, however, there is relatively detailed financial data, much of it buried in endnotes or annexes which the careful researcher should not skip (for definitions of business, balance sheet, financial, and legal terms commonly found in annual reports, see the glossary below). These sections frequently have disclosure of liabilities for environmental damage as well as ongoing litigation. Annual reports will also tell you who are the managing officers

of the company, who sits on the board, and some provide brief, obviously positive historical background on the corporation.

The annual report's main body is largely an exercise in self-promotion. But this can be very helpful inasmuch as it provides insight into corporate perspectives, arguments, strategies, plans, and rhetoric. While it varies from TNC to TNC, many annual reports of parent firms may also contain information on subsidiary operations. (Note: Privately held TNCs may or may not publish annual reports. You'll have to contact them to see if they do, or if they produce some sort of substitute.)

Besides annual reports, corporations may produce other kinds of promotional literature available to the public (for additional documents required by regulatory authorities of all public companies in the US, see the next chapter). In recent years especially, numerous leading TNCs have spent a great deal of money on glossy materials touting their environmental and health and safety records and practices. Their public relations departments will be glad to assist you.

Paper and Computer Sources

Paper sources includes a variety of publications -- and some computer resources which will be discussed at the end of the section -- you can use to investigate TNCs. You may be able find some of these publications in a public or university library, or in book stores which have good business or economic sections. For others you may need to contact various organizations tracking TNCs, and potentially useful resources which might be able to help you are also listed later in this section. Finally,

you may need to deal directly with the publishers of the materials. Paper sources can be extremely helpful in learning about publicly-traded TNCs, though not always as good for researching in depth about private companies.

Corporate Directories

Many directories of TNCs are now on the market, both in paper and on computer databases. Because they cover a large number of firms, the amount of information on any one corporation is limited, although some directories can be quite detailed. They are a good "first cut" into a company, but you should be willing -- and in some cases must -- consult several for a complete picture.

In terms of cost relative to most other directories, the Hoover's series (Reference Press 6448 Highway 290 East, Suite E-104 Austin, Texas USA 78723 fax 1512-454-9401; fax in the United Kingdom, where many titles are available, 44 186 5513186) is an excellent deal. These are well-organized and accessible volumes which provide considerable basic background information on many TNCs. The volumes are published and revised annually, and are arranged geographically or thematically. For example:

Hoover's Handbook of American Business 1995 (Profiles of 500 Major US Companies); Hoover's Handbook of World Business 1995-1996 (Profiles of Major European, Asian, Latin American, and Canadian Companies); Hoover's Guide to Private Companies 1994-1995 (Profiles of 500 Major US Private Enterprises); Hoover's Handbook of Emerging Companies 1995 (Profiles of 250 of America Most Exciting Growth Enterprises).

A Glossary

General Business Terms

Audit -- An examination of a company's financial records, usually done by an outside organisation such as an accounting firm or the government.

Bonds -- Corporate public borrowing instruments which are generally traded on the securities exchanges.

Brokerage House (or Broker) -- A broker links buyers and sellers in the stock markets.

Debt Structure -- How a company has financed borrowings, in the form of short-term or long-term bonds, or through private notes from banks.

Equity Capital (or Equity) -- That portion of the funds to be used in a business which have been invested by the owners, rather than lent by creditors. Common stock is equity and represents ownership in a business.

Over-the-Counter -- Generally refers to stock which is publicly traded, but not on an exchange.

Management Investment Firms -- These firms manage investment funds of individuals or organisations.

Registrar -- The Registrar, usually in a bank or other financial institution, keeps track of how much stock a particular company has been sold, and prevents the issue of unauthorised stock.

Securities -- Any document evidencing debt or equity ownership of a company. These include stocks, bonds, notes, debentures, and trust certificates.

Stock Exchange -- Where most corporate stock issues are traded publicly.

Transfer Agent -- A banking agent responsible for recording each registered shareholder and all changes in ownership.

Trustee -- Refers either to a banking agent which registers corporate bonds and handles

interest payments or, in the case of a pension fund for example, a board of trustees which controls the investment decisions of the fund.

Underwriter -- The guarantor or an insurance policy or security issue. In securities trading, the underwriter agrees to market an issue to the public, with the commitment to buy any of the issues the public does not buy.

Key Financial Statement Terms

Cost of Goods Sold -- Expenses directly incurred in the production of goods, including raw materials, labour, overhead, and depreciation charges.

Depreciation -- Those expenses which account for normal wearing out of machinery and other production facilities.

Dividends -- Portion of net income paid out to stockholders.

Gross Margin -- Net sales less cost of goods sold; reflects total receipts for goods sold less their production costs.

Income Statement -- A compilation of a company's sales, earnings, expenses, etc., for a specific time period.

Net Income -- After tax profit.

Net Sales -- All sales for the period minus returned items, discounts, and sales taxes.

Operating Profit -- Gross profit minus selling and administrative expenses.

Other Income -- Earnings from interest on bank accounts, sales of old equipment, etc., which are not derived from the company's primary operations.

Retained Earnings -- Those profits not paid in dividends.

Selling and Administrative Expenses -- Advertising expenses and administrative costs such as office expenses not incurred in the direct production of goods.

(continued on next page)

A Glossary

Key Balance Sheet Terms

Balance Sheet -- A "picture" of a corporation's assets, liabilities, and stockholder's equity at a given time (assets = liabilities + stockholder's equity).

Capital Stock -- The total amount of stock collected by a company when its stock is sold. Can include: 1) common stock, which is regular stock with voting rights which usually pays dividends; and 2) preferred stock, any of various classes of stock with special stipulations.

Current Assets -- Liquid assets for which company expects to receive cash within the year. Consists of: cash; timed deposits; marketable securities; inventories.

Current Liabilities -- Debts which will be due within the year.

Prepaid Expenses -- Those future costs for the year which have already been paid for, such as insurance.

Fixed Assets -- Those assets used in the production and other business of the company which it expects to retain.

Intangibles -- Assets that aren't tangible, but are valuable, e.g. goodwill, trademarks, patents.

Liabilities -- All debts.

Long-Term Liabilities -- All debt due after the current year.

Net Worth -- Equals equity plus reserves.

Reserves -- Undistributed profits which are held by a company to be converted into equity capital.

Stockholder's Equity -- The net worth of stockholders in a firm assuming all debts are paid; equals total assets minus total liabilities, and includes capital surplus and retained earnings.

Total Assets -- Everything owned by the company and everything owed to it.

Legal Terms

Affidavit -- A written or printed declaration or statement of fact, made voluntarily and confirmed by the oath of the party making it.

Civil Suit -- A court action brought to enforce, redress, or protect private rights.

Deed -- A written document transferring title of real property to another.

Defendant -- In a civil suit, the person or corporation being sued.

Discovery -- Pre-trial devices which can be used by one party to obtain facts and information about the case from the other party to assist with the preparation for the trial.

General Partnership -- A partnership in which parties carry on all their trade and business.

Grantee -- The seller in a real estate transaction. The **grantor** is the buyer.

Lessee -- One who rents property from another. The **lessor** rents property.

Lien -- A claim or charge on property for payment of some debt, obligation, or duty.

Limited Partnership -- A partnership consisting of one or more general partners, and one or more limited partners which contribute cash payments as capital to the common stock, but which are not liable for the debts of the partnership beyond the amounts contributed.

Plaintiff -- The party which complains or sues in a civil action.

(Excerpted from the Food and Allied Services Trades Department's Manual of Corporate Investigation—Building Profiles of Public and Private Companies, 1989)

Books in the Hoover's series give brief (one to two pages) but detailed, up-to-date snapshots of corporations including operations overview, company strategies, histories, financial data, product lists, major competitors, chief executives, headquarters address, telephone, and fax numbers. Hoover's books cost around US\$40. The Reference Press also produces a wide variety of other books about US and international business, including on out-of-the-way subjects such as logos of hundreds of US and non-US TNCs. For further information, see the Press's catalog.

Other directories, including specialised ones, are far more expensive, costing many hundreds or even thousands of US dollars. Except for the wealthiest TNC researchers, these sources will have to be used in a library (either your own or elsewhere with the help of another individual or group). A few well-known examples are:

- Ward's Business Directory of US Private and Public Companies (Gale Research, Inc. 835 Penobscot Building Detroit, Michigan 48226 USA), which has basic information -- location, estimated sales, employment, parent/subsidiaries, top managers -- on 142,000 US companies, and is useful because it includes small as well as privately held firms. This directory is published annually and consists of four volumes.

- America's Corporate Families, volumes 1 & 2, and a 3rd volume, America's Corporate Families and International Affiliates, are published annually by Dun & Bradstreet (Dun & Bradstreet International, International Marketing Services One World Trade Center Suite 9069 New York, New York 10048 USA). A helpful source for tracing parent-subsidary ownership lines. The first two volumes combine some 11,000 US ultimate parent company listings with information covering over 75,000

of their subsidiaries, divisions, and major branches. The last volume covers 2,800 US ultimate parents with more than 19,000 non-US subsidiaries as well as over 3,300 non-US parents with more than 12,000 US subsidiaries.

- For additional information on parents and affiliates, D&B also produces the Who Owns Whom series (Dun & Bradstreet Ltd. Holmers Farm Way High Wycombe Bucks HP12 4UL United Kingdom), which includes annual volumes on corporate families in the UK/Ireland, Continental Europe, North America, and Australasia and the Far East. The volumes lists parent company names for each corporation based in the region along with a complete breakdown and "family tree" of all subsidiary and associate companies; parent companies registered outside the region which have subsidiaries or associates in that area; and an index to all the companies showing subsidiary-ultimate relationships.

- The Directory of Corporate Affiliations and the International Directory of Corporate Affiliations (National Register Publishing Company, Macmillan Directory Division, 3002 Glenview Road Willmette, Illinois 60091 USA)) are annual publications covering, respectively, parent companies in the US and their affiliates worldwide as well as non-US parents and their affiliates. These useful volumes provide parent corporation's address, top executives, financial information, and a display of the corporation's structural hierarchy with percentage of ownership of each affiliate's shares by its immediate parent.

- The Directory of American Firms Operating in Foreign Countries (World Trade Academy Press 50 East 42nd Street Suite 509 New York, New York 10017 USA) is a three-volume series which lists over 2500 US corporations with more than 18,000 subsidiaries and affiliates in 138 countries. Volume one gives basic company information and the countries where there are non-US operations; volumes

two and three give non-US operations by country. The publisher has also compiled individual lists identifying the US parent company and its subsidiary(ies) in each of the 138 countries. Prices for these range from US\$5 to US\$28; most are around US\$10-14. Additionally, the Press has produced a Directory of Foreign Firms Operating in the United States, which lists over 1600 non-US companies from 46 countries and the nearly 3000 subsidiaries they own in the United States. Accompanying the main volume are individual reports arranged by each country. Prices vary between US\$5-20.

■ Global Company Handbook -- An Analysis of the Financial Performance of the World's Leading 10,000 Companies (Center for International Financial Analysis and Research, Inc., Princeton, New Jersey USA) is a collection of financial and non-financial information on over 10,000 corporations from more than 45 countries. It is divided into four volumes which include an analysis of the world's capital markets as well as company-specific data such as address, management, auditor, major shareholders, number of employees, revenues, net income, assets, etc.) for Europe/Africa/Middle East, Asia/Pacific, and the Americas.

■ For over 2300 corporations listed on the New York Stock Exchange, Standard & Poor's Stock Reports service (Standard and Poor's, 345 Hudson Street New York, New York 10014 USA) has concise, detailed information including analysis of company's near-term sales, earnings and dividends prospects, detailed and up-to date financial data, and commentary on overall longer-term outlook. The reports are revised monthly.

■ For transnational banking institutions, the Thomson Bank Directory (Thomson Financial Publishing Inc., 4709 West Golf Road Skokie, Illinois 60076 USA) has concisely presented information -- including address and telephone, managers, ownership, branches in and outside

home country, financial figures, logos, and slogans--on the top 1000 US and leading 500 world banks.

■ While not technically a directory, Philip Mattera's book World Class Business A Guide to the 100 Most Powerful Corporations (Henry Holt & Co, New York, 1992) is a good though now slightly out-of-date compilation of information -- four to six page case studies -- on 100 leading TNCs such as Bayer, Ford, IBM, Nestle, Matsushita, and Royal Dutch/Shell. Chapters include information on global operations, competitive industry positions, and international joint ventures, as well as some discussion of environmental and labor records.

Additionally, there are three useful directories for corporations in India:

■ The Indian Import Export Directory (TeleDirect InformaticsIndia Pvt Ltd C-74 Malviya Nagar New Delhi 110 017) is an annual compendium of importing and exporting companies based in India for virtually all sectors. In addition to basic contact information for these firms, this directory also gives the addresses and telephone numbers for all the chambers of commerce around the world.

■ Indo-USA Collaborations Volume 2 (published by John S. Wood, Commercial Counsel US & Foreign Commercial Service American Centre 4 New Marine Lines Bombay 400 020 India) is a comprehensive listing of collaborations between Indian firms and US companies up through the end of 1994. It is indexed by both the Indian and US corporations (and includes contact addresses and numbers), and also has sections arranged geographically and sectorally.

■ Kothari's Industrial Directory of India (published by S. Arokiasamy for Messrs. Kothari Enterprises Kothari Buildings Mahatma Gandhi Road Madras 600 034) is an annual publication which has a large, current listing of corporations (including Indian firms

and non-Indian subsidiaries, with contact address, officers, main business lines, liabilities and assets, and five-year history of performance) for industries such as: chemicals (petrochemical, pharmaceutical, organic/inorganic); electronics; engineering (including motor vehicles); minerals and metals; paper manufacture; plantation agriculture; and banks and other financial institutions. This directory also contains a general survey of India's economy including foreign investment trends and government policies, profiles of the industrial sectors for which it has corporate listings, and names and contact addresses for India's stock exchanges, chambers of commerce, and many industry trade associations. The price is Rs.1050, US\$225 outside India.

Court Records

If the TNC you're researching has been involved in litigation, find out if you or others can get access to the court records (technically a government source). Court records represent the fruits of someone else's serious investigation, and documents filed by the opposing parties can give valuable information on the TNC's operations and attitude, and may also provide a wealth of potentially useful background information.

Newspapers, Business Magazines, Etc. (with a discussion of computerised information)

For general, basic, and up-to-date financial data (e.g., gross and net income, shareholders' equity, assets) on corporations including TNCs, several business magazines outside India publish periodic corporate surveys. Fortune (Time, Inc. Magazine Company, New York) produces annual

rankings of the top 500 industrial companies both in and outside the United States. Business Week (McGraw-Hill, Inc., New York) has an annual ranking of leading global corporations, while Forbes (Forbes, Inc., New York) publishes an annual feature with the 100 largest US TNCs and the 200 biggest non-US corporations. South (South Publications Ltd., London) publishes five surveys annually of the largest industrial and service companies based in less-industrialised countries overall and by region.

In India, The Economic Times (The Times of India Press, Bombay) publishes a yearly listing of the top 300 Indian corporations, including domestic firms as well as subsidiaries of non-Indian TNCs. Besides basic financial information, this issue has articles surveying various corporate and industrial trends. Business Today (editorial office: Living Media India Ltd. F-26 Connaught Place New Delhi 110001 tel. 91 11 3315801 fax 91 11 3316180) produces an annual survey, "The BT 500 A Guide to India's Most Valuable Companies," which ranks India's leading domestic firms and foreign subsidiaries in a variety of ways. This survey also provides sectoral statistics, industry profiles, articles on current corporate trends, and a reprint of the "Fortune 500."

Newspapers are a near essential resource for researching TNCs. National newspapers, especially those oriented towards business or financial reporting, will carry stories on leading corporations every day, and often have special features on a particular company or industrial sector. Regional and city newspapers can be equally valuable because they may give more detailed and consistent coverage of a locally

based TNC operation than national papers. The same holds true for national and regional or city business magazines. The insight business reporters of either newspapers or magazines have on corporate trends, interests, and perspectives can be extremely useful.

Given the large amount of material these kinds of publications contain on TNCs -- of past as well as current activities -- the researcher faces the difficulty of getting the needed articles efficiently. There are several ways to approach this problem. First, assuming you know which newspaper or magazine you want, you can contact a staff person and ask about the subject you're interested in, or perhaps visit the paper's offices and read through back issues. Second, find out if the publication has an index to its issues which might give you all the occasions when there was a story on, say, Pepsi. Libraries which carry back issues of newspapers and magazines may also have such indexes. Third, there are organisations with article clipping services which can be of assistance (the US-based DataCenter listed below is one example).

In countries where computer database services have put back issues of newspapers and magazines online, using such a service to conduct a search on a given TNC is an extremely efficient way to cover many publications over many years. It can also be cost effective compared to the possible alternative expense of time and travel (which for an international search would likely be prohibitive).

While many computer services exist which can help the corporate researcher, several US-based ones are noteworthy. LEXIS/NEXIS (Mead Data Central, Inc., New York, New York USA) is the name of

two services, often packaged together, which offer access to some 188 million documents —extensive legal and business materials and over 1000 US regional and national as well as international newspapers, magazines, wire services, and broadcast transcripts. LEXIS specialises in legal information including corporate, labour, and environmental law matters, as well as patents and international trade. Its corporate files track corporations registered in each state of the US with data such as the articles of incorporation, annual reports, amendments, and other public filings.

NEXIS gives access to business journals as well as investment and merger/acquisitions news sources, and also has business reference files with company directories and reference publications. NEXIS also covers business, banking, and other news in Asia and the Pacific, Europe, and Canada. Its company files have information including thousands of in-depth corporate and industry research reports from worldwide investment banks, research firms, US business regulators, and US and non-US company profiles generated by professional corporate monitors such as Standard and Poor's.

DataTimes (DataTimes Corporation, Oklahoma City, Oklahoma USA) is another exceptionally comprehensive computer service which offers access to articles from over 140 US regional newspapers as well as numerous national US and non-US newspapers, magazines, industry trade publications, and wire services. DataTimes also taps into a number of professional corporate monitors such as Dun & Bradstreet, and has business, financial, statistical, and strategic information on literally millions of

companies and hundreds of industries around the world.

All this may sound seductive, but—assuming you can get access to these services—it too can also be overwhelming. Given the vast quantity of information computer databases provide, all of it for a price, you must have a clear idea of what you hope to get out of the material. Moreover, while they can be very helpful, you should never rely exclusively on computers for your research. There is an enormous amount of electronic information available, but there is a great deal of non-electronic information as well, however, and it may prove to be more relevant to your needs.

Having a computer, certain software, and electronic mail capacity usually facilitates and may be in some cases be necessary for access to computer services such as LEXIS/NEXIS or DataTimes. Because the computer infrastructure and the service subscriptions together cost thousands of US dollars, see if you can get new or used computers donated with the assistance of groups such as the US-based **Volunteers in Technical Assistance (VITA)** (1600 Wilson Boulevard Suite 500 Post Office Box 12438 Arlington, Virginia 22209-8438 USA tel. 1703-276-1800 fax 1703-243-1865 Contact: Gary Garriott). VITA can also help with technical information inquiries.

Furthermore, there are organisations such as the **Multinationals and Development Clearinghouse** (Essential Information, Post Office Box 19405 Washington, DC 20036 USA tel. 1202-387-8030 fax 1202-234-5176 Contact: Marcia Carroll) which can provide access to various databases and are willing to provide it at low or no cost to groups with limited resources in India and elsewhere. Two other US-based

organisations and one Dutch organisation have also expressed a willingness to help groups without computer resources gain access to online sources on a generous “sliding scale” payment basis: the **DataCenter** (464 19th Street Oakland, California 94612 USA tel. 1510-835-4692 fax 1510-835-3017 Contact: Mary Heffron); **Sister Ruth Rosenbaum**, director of the **Research and Report Service for Ethical and Socially Responsible Investing** (an affiliate of F.L. Putnam Securities Company 10 Langley Place Suite 400 Newton Centre, Massachusetts 01259 USA tel. 1617-964-7600 fax 1617-332-6922); and **SOMO/ Centre for Research on Multinational Corporations** (Keizersgracht 132 1015 CW Amsterdam The Netherlands tel. 31 20 6391291 fax 31 20 6391321).

Others may be happy to help, if you ask. And if you can at least get a computer and electronic mail capacity, this can greatly speed up your ability actually to get the material you need.

Human Sources

There are many individuals and groups who may have information on a TNC which you want, and these people can end up being some of your best sources (especially if you're investigating a privately held corporation). Speaking or corresponding with these sources can supply information you might not find elsewhere, save you time, or give you good quotations. And they can lead you to new sources; frequently, it requires talking with several or more people before you find the one person who can help. Common sense should dictate how you approach these kinds of sources, i.e., should you tell them exactly who you are and why

you're talking to them, or not. You might find as well that offering information in return will help open some people up, while for others your consideration of their time and gratitude may be enough. Be aware of the biases of your sources and factor them in as you draw your own conclusions.

Human sources include:

1. Journalists — Members of the national, regional, or local press who cover business and economic issues are usually willing, and sometimes happy, to talk with you. If you come upon an interesting article about a TNC, or if it uses terms you don't understand, contact the author. Journalists spend a lot of time looking for sources, so be sure to ask them which ones they recommend.

2. Trade Association Representatives — Virtually all industries have their trade association, and trade associations in turn usually have someone who is able (if not always willing) to answer your questions. If you're lucky, they can provide informed insight and up-to-date information about the industry and its companies. Trade associations sometimes have libraries as well, which are good places to visit. The Encyclopedia of Associations (Gale Research Inc., Detroit, Michigan), updated annually, consists of four volumes, the first three of which cover thousands of trade and professional associations in the US, and the fourth which lists some 3000 organisations outside the United States. The Directory of European and Industrial Associations (C.B.D. Research Ltd., Beckenham, Kent, United Kingdom) covers European business associations. It appears irregularly.

3. Academics — Many universities have

faculties with economics, business, or other types of professors who may be helpful, especially with analysis of major trends and issues surrounding a company or industry. Students in business school often do corporate case studies as part of their curriculum which may be very good for material on a particular firm.

4. Lawyers — Lawyers who have been involved in court cases against a TNC can be excellent sources of information and insight as well as good "sources of sources." They have or had a bone to pick with the company, and have already spent much time and effort to gather materials for their case.

5. Former Employees — These individuals can be very informative, and because they also may have axes to grind (e.g., might have been fired, might have been involved in litigation with the company), they may be especially willing to talk.

6. Investment Analysts — These individuals can have very current and factual business information about a TNC, which they may or may not be willing to share for free. Offering to exchange information may help.

7. Industry Consultants — These people can also be well-informed, and if willing to talk can be very useful. Use trade publications or associations to learn their names.

8. Other Business Players — Depending on what information you're looking for, consider contacting the competitors, suppliers, and customers of the TNC you're researching. Particularly the first two will know a great deal about the day-to-day activities of the TNC. It's impossible to say whether or not they'll talk to you, but you won't know if you don't ask. Corporate directories such as Hoover's list a company's

main competitors. Trade associations and publications, labor unions, industry consultants, and perhaps even an executive from the TNC you're investigating may tell you who are the key suppliers and customers.

9. Government Industry Analysts — Usually these individuals are better for information on industry trends and regulations. While such analysts may not be accessible in all countries, where available they can be useful.

10. Local Community Members — This includes mainly ordinary citizens and community activists, but can also mean local press, business groups, and government officials. Communities in areas where a TNC has a facility can be excellent source of information about any number of subjects: the facility's history; whether or not it has been the beneficiary of fiscal incentives; the relationship of the firm with its neighbors; the corporation's employee relations; its environmental record, etc.

(Workers and trade unionists will be discussed in *Chapter 6*)

Non-Governmental Resources on TNCs Around the World

Human sources also include those people who are studying, monitoring, and campaigning on particular TNCs. There are numerous organisations around the globe which do this kind of work. The following annotated list does not pretend to cover them all, but it is hoped that the selection can provide an initial step to help the researcher pursue more specialised needs and additional contacts.

General TNC Information Sources in the

United States and Western Europe

■ **Action for Solidarity, Equality, Environment and Development (A SEED)**
Post Office Box 92066 1090 AB Amsterdam
The Netherlands tel. 31 20 6682236 fax 31 20 6650166) is the European branch of a worldwide network of people active in environmental organisations, the student movement, and other organisations. It has formed a working group called **IMPs** ("Inform me about that Multinational, Please") which has compiled information on TNCs with a focus on corporate activities in Central and Eastern Europe, and especially on nuclear energy. It is currently working on compiling information on Unilever's activities globally.

■ **The Council on Economic Priorities (CEP)** has a research service, the **Corporate Environmental Data Clearinghouse (CEDC)** (30 Irving Place 9th floor New York, New York 10003 USA tel. 1212-420-1133 fax 1212-420-0988). This service has produced dozens of reports with detailed environmental information on major US corporations or major US subsidiaries of non-US TNCs. These reports provide an in-depth environmental profile on the corporation as a whole and where possible, on a facility-by-facility basis (they include data on: ecological impact related to toxic releases, hazardous waste, health risks, energy use, spills and accidents; products and technologies; regulatory, legal, and political lobbying record; and environmental policies). The reports also compare the company's environmental performance to its major competitors in the industry. The information in these reports tends to be heavily US oriented.

As of January 1995, CEP had 116 company reports for the following sectors: aerospace/defense (e.g. Boeing, Lockheed); motor vehicle manufacture (e.g. Ford, GM); beverages (e.g. Adolph Coors); chemical production (e.g. Ciba, DuPont, Union Carbide); electric utilities (e.g. Consolidated Edison); electrical equipment (e.g. GE, Westinghouse);

foods (e.g. Cargill, General Mills, ConAgra, RJR Nabisco); footwear (e.g. Nike); forest products (e.g. International Paper, e.g. Weyerhaeuser); household products (e.g. Procter & Gamble, Unilever, Colgate-Palmolive); oil (e.g. Exxon, Mobil, Texaco); tobacco (e.g. Philip Morris). These reports are not cheap, however -- they average between US\$200-\$250 each, depending on the quantity ordered (you might ask if CEP is willing to trade information to help cut costs).

While CEP's main focus has historically been on US firms and their activities in the US, it recently created a **Transnational Corporation Project** (Contact: Deborah Leipziger), which is working with the UK-based **New Consumer** (52 Elswick Road Newcastle upon Tyne NE 6JH UK tel. 44 191 2721148 fax 44 191 2721615) to identify examples of "better practice" in TNCs' behavior. New Consumer also works on issues of corporate social responsibility and consumerism, and has published books including The Shareholder Action Handbook.

■ **The Council for International and Public Affairs (CIPA)** (777 United Nations Plaza New York, New York 10017 USA tel. 1212-972-9877 tel./fax 1914-271-6500 Contact: Ward Morehouse), through its imprint APEX Press, offers publications and videos on issues such as TNCs' accountability, the export of hazardous substances, and the impact of TNCs in less-industrialised countries. The Council houses the Bhopal Action Resource Center, and authors associated with CIPA have produced books such as Nothing to Lose But Our Lives: Empowerment to Oppose Industrial Hazards in a Transnational World, and Abuse of Power: Social Performance of Multinational Corporations The Case of Union Carbide.

■ **The DataCenter** (464 19th Street Oakland, California 94612 USA tel. 1510-835-4692 fax 1510-835-3017 Contact: Mary Heffron) is a public interest library and research center. The Center makes information available through its

public-access library, which contains a file of more than 1.5 million newspaper and magazine clippings (it also has computerised information services), and it compiles reprint collections of clippings and has a customised research and clipping service. The DataCenter covers a variety of issues including corporations. It has a **Corporate Information Service** (tel. 1510-835-4692, extension 104) with files on 15,000 US and non-US corporations, with an emphasis on company social performance, drawn from: articles from business, labour, environmental, and public-interest press; newsletters, reports and directories focusing on corporate citizenship issues; newspaper clippings; and online databases from commercial, community, and government sources. Its fee charges are on a sliding scale and in some cases the DataCenter will provide the service pro bono.

The DataCenter has a bi-monthly publication, "Corporate Responsibility Monitor," which offers full text reprints from press on topics from environment, labor relations, lawsuits, and consumer issues. Since 1983, it has been tracking plant closures and layoff announcements in the US, and publishes monthly the "Plant Shutdowns Directory." Additionally, the Center has also compiled a book, Transnational Corporations and Labor A Directory of Resources (Orbis Books, Maryknoll, 1989), which it has updated in its 800-page Third World Resource Directory 1994-1995 (US\$64).

■ **The Institute on Trade Policy's Task Force on Multinational Corporations** (Post Office Box 95316 Seattle, Washington 98145 USA tel. 1206-723-7417 Contact: George Draffan) produces an annual Development Directory, one chapter of which is devoted to "Multinational Corporate Activities." This chapter has 800 alphabetical entries of mostly TNCs, and briefly describes their operations and environmental and human rights impacts. All entries are referenced. The Institute also provides research and information support to

public interest activists and organisations, and does some work on a pro bono basis.

■ **The Multinationals and Development Clearinghouse** (Post Office Box 19405 Washington, DC 20036 USA tel. 1202-387-8030 fax 1202-234-5176 Contact: Marcia Carroll) is a resource center providing information on corporations including a history of the company's practices, its size and structure, and the health and environmental impacts associated with a product or production process. The Clearinghouse's sponsoring magazine, the monthly Multinational Monitor (annual subscription US\$25 for individuals, US\$30 for non-profit institutions, plus airmail charges), circulates internationally and welcomes stories from local journalists and activists about companies operating in their region. The Monitor regularly publishes corporate profiles as well as TNC stories relating to labour, social and environmental issues, human rights, etc.

Also affiliated with the Clearinghouse is the Corporate Crime Reporter (Editorial Office 1322 18th Street, NW Washington, DC 20036 USA tel. 1202-429-6928 Contact: Russell Mokhiber), an investigative weekly publication which reports on corporate crime from environmental violations to procurement fraud. It also tracks corporate issues such as personnel moves. Subscription rates are US\$795/year in US, US\$995 elsewhere.

By the end of 1995, the Clearinghouse intends to have on a CDROM computer disk the following materials: 16 years of back issues of the Multinational Monitor; a link-up with the US government's database of Securities and Exchange Commission filings (the database is called EDGAR); back issues of Corporate Crime Reporter; and also a variety of reports from its projects on corporate welfare (tax subsidies, etc.) and corporate political contributions. All this information will be free, and accessible for those who have the basic computer hardware capacity.

■ **Stichting Onderzoek Multinationale**

Ondernemingen (SOMO)/Centre for Research on Multinational Corporations (Keizersgracht 132 1015 CW Amsterdam The Netherlands tel. 31 20 6391291 fax 31 20 6391321) documents and critically researches the role multinational corporations play in the international economic relations between industrialised and less-industrialised countries. Its research and consultancy focuses on the activities of specific companies within certain branches of industry, and SOMO's Documentation Centre, open to the public by appointment, includes: a library with relevant books, brochures, articles, and reports; annual reports from some 1000 companies; a clippings file with clippings from the Dutch press, company press releases and bulletins, etc.; an index of articles in most of the 120 international financial, political, and trade union magazines to which it subscribes. SOMO also has subscriptions to electronic economic databases. SOMO does respond to information requests, and it too operates on a sliding scale.

Since the creation of the Single European Market, SOMO has joined with other trade union-oriented European research centers to help especially workers' representatives with information needs. The other groups are: the **Center for Alternative Industrial and Technological Systems (CAITS)** (c/o 30 Deloraine House Tanners Hill London SE8 4PZ UK tel./fax 44 181 6911969), established by trade unionists and specialising in research on sectors such as the motor vehicle industry, engineering, communications, and services including banking and retailing; and **FAST e.V. (Association for the Study of International Economics, Industrial and Technological Policy)** (Bergstrasse 77 D-12169 Berlin Germany tel. 49 30 7924500 fax 49 30 7931554). FAST specialises in analysing the strategies of companies on the national and international levels (including FDI, research and development strategies), and has compiled information on German and Germany-based TNCs.

This trio is establishing a common

research infrastructure and database system linking the institutes' resources. Activities include: quick response research on TNCs where needed; company profiles (including data on European plant operations, organisation and management structure, financial information, company's strategy, background to the principal industry); and research projects on issues of particular interest to trade unions, e.g., studies on industrial sectors, changing management strategies, and labour relations.

The trio have produced a number of company and industry reports for meetings organised by European Industry Committees, including on: AKZO; Aldi; Axel Springer; Bauer-Verlag; Benetton; Bertlsmann; Cadbury Schweppes; Campbell Soup; Coca-Cola; Courtaulds Textiles; Ferruzzi; Firestone; Goodyear; Heinz; Henkel; Lever; Levi Strauss; Nike; Norsk Hydro; Philip Morris Solvay; Thomson International; Unilever; Volvo. Sectors covered include: dairy; dredging; hotel/tourism; software & computers; and tobacco.

■ **The Transnational Information Exchange** (c/o the Transnational Institute (20 Paulus Potterstraat 1071 DA Amsterdam The Netherlands tel. 31 20 6642191 fax 31 20 6757176) exists, according to its literature, for three reasons: "to 1) enable the exchange of information and experience between action and research groups working on transnational corporations, mainly in Europe, but also between such groups in Europe and in the rest of the world; 2) develop a similar dialogue between such groups and trade unions and other workers' organisations in order that the type of information produced may be of the most help to those whom it most affects and so that the contacts between workers' representatives from transnational corporations' subsidiaries in different countries may be strengthened and more fully informed; and 3) promote discussion and debate on the effects of growing corporate power within Europe and other parts of the world, in order to encourage positive and practical alternatives within the labour

movement."

■ **Washington Researchers, Ltd** (PO Box 19005 Washington, DC 20036 USA tel. 1202-333-3499 fax 1202-625-0656) is a business research and competitive intelligence-gathering group which: publishes guides and directories on corporations, industry, and business markets in Latin America, Europe, and Asia; produces "how to" books on researching companies; acts as a consultant; and does customised research. It is mainly oriented towards clients in industry, a fact reflected in part by the price of its publications, which range from about US\$150 to US\$400. It also publishes several newsletters, including a monthly, "The International Information Report," (annual subscription US\$160) which in addition to providing information on current subjects of interest to Washington Researchers also lists reports from other organisations such as the Chamber of Commerce, Overseas Development Council, etc., many of which sell for much less than US\$100.

Selected Miscellaneous Organisations Which Research, Campaign, or Otherwise Work on TNCs

■ **Amnesty International (AI)** (322 Eighth Avenue New York, New York 10001 USA tel. 1212-633-4200 fax 1212-627-1451 Contact: Sheila Dauer) is an international human rights organisation which works to free prisoners of conscience, ensure fair and prompt trials for all political prisoners, and abolish torture and executions. It has pressured corporations to apply their influence to effect positive change in a government's human rights practices or to release someone AI has designated a "prisoner of conscience." It does research and organises letter writing campaigns by groups and individuals, and it has recently worked on Nigeria and oil TNCs, especially Shell, as well as on firms which do business in Indonesia.

■ **The Asia Regional Exchange for New**

Alternatives (ARENA) (Great George Building 27 Paterson Street, 2nd floor Flat B1 PO Box 31407 Causeway Bay Post Office Causeway Bay Hong Kong tel. 8522 8056193 fax 8522 5042986) conducts research and analysis for grassroots and labor groups around industrial hazards and exploitation by TNCs in Asia, and produces publications on TNCs.

■ **Baby Milk Action** (23 St. Andrew's Street Cambridge CB2 3AX UK tel. 44 1223 464420 Contact: Andrew Radford) is an independent non-profit organisation which raises awareness about the dangers of artificial infant feeding and campaigns to protect infant health. Baby Milk Action campaigns on the irresponsible marketing of baby foods by TNCs such as Nestle, against which it has long-standing boycott. The group has gathered a large amount of information on Nestle as well as other baby food companies, and has produced a number of book, reports, and videos. It also publishes an monthly update. Baby Milk Action is part of the **International Baby Food Action Network** (c/o GIFA CP 157 CH-1211 Geneva 19 Switzerland tel. 41 22 7989164 fax 41 22 7910034).

■ **Barry Castleman** (1722 Linden Avenue Baltimore, Maryland 21217 USA tel. 1410-462-5135- fax 1410-462-1039) is one of the world's experts on asbestos: its human health and environmental effects as well as the companies which used to or still do manufacture the material.

■ **The Campaign Against Foreign Control of Aotearoa (CAFCA)** (PO Box 2258 Christchurch New Zealand tel. 643 663988 fax 643 252944) has researched and campaigned on the British mining conglomerate RTZ in coordination with PARTiZANS (see listing in Chapter 11).

■ **The Catholic Institute for International Relations (CIIR)** (Unit 3 Canonbury Yard 190a New North Islington London N1 7BJ UK tel. 44 171 3540883 fax 44 171 3590017 Contact:

Phil Bloomer) is an independent charity which works with people of any or no religious belief. CIIR strives to overcome poverty and injustice in the less-industrialised world, and in 1995 began a program on TNCs and social development which will focus on research and lobbying on the light manufacture (toys) and service (international tourism) corporate sectors.

■ **The Coalition on Resistoleros** (c/o U.M.H.E. 331 17th Ave SE Minneapolis, Minnesota 55414 USA tel. 1612-430-3562) is an advocacy group for street children. It has criticized as irresponsible TNCs such as the H.B. Fuller for promoting a new line of glue (solvent-based glues are sniffed as a drug by millions of Latin American street children) without adequate health and safety studies.

■ **Communities Concerned About Carbide** (c/o The Organizing Media Project 5104 42nd Avenue Hyattsville, Maryland 20781 USA tel. 1301-779-1000 fax 1301-779-1001) documents the environmental record of Union Carbide across the United States.

■ **Consumers International** (formerly International Organisation of Consumers Unions, or IOCU) (24 Highbury Crescent London N5 1RX United Kingdom tel. 44 171 2266663 fax 44 171 3540607 Contact: Philip Evans) is a worldwide federation of over 200 consumer organisations in 84 countries dedicated to the protection and promotion of consumer rights and interests through research, information, education, and representation on international policy-making bodies. It researches and campaigns on many corporate-related issues including trade, product standards, food safety, pharmaceuticals, hazardous products, health services, financial services, and sustainable consumption. As IOCU, it published a number of studies on the pharmaceutical industry as well as a book, Inside Ciba-Geigy (1989). Consumers International has a contact list which covers many countries, with members including:

- **Liga Accion del Consumidor (ADELCO)**
4 piso, Avda. Corrientes 1132
1038 Buenos Aires Argentina
tel. 541 354876 fax 541 3340166
- **Australian Federation of Consumer Organizations (AFCO)**
PO Box 3075
Manuka ACT 2603 Australia
tel. 616 2733866 fax 616 2731985
- **Instituto Brasileiro de Defesa do Consumidor (CIDOC)**
Rua Turiassu 702-Cep 05005-000
Sao Paulo Brazil
tel. 5511 628111 fax 5511 629844
- **Asociacion Chilena de Defensa del Consumidor (ACHICO)**
Maximo Humbser 567 Oficina 202
Santiago Chile
tel. 562 339790
- **Union Federale des Consommateurs (UFC)**
11 rue Guenot
75555 Cedex 11
Paris France
tel. 331 43485548 fax 331 43484435
- **Arbeitsgemeinschaft de Verbraucherverbände (AgV)**
Heilsbachstrasse 20
D-53123 Bonn Germany
tel. 49 228 64890 fax 49 228 644258
- **Hong Kong Consumer Council (HKCC)**
GPO Box 191
Hong Kong
tel. 8522 8563113 fax 8522 8563611
- **Consumer Unity and Trust Society (CUTS)**
3-B, Camac Street
Calcutta 700 016 India
tel. 9133 297391 / 2786 fax 91 33 297665 / 762785
- **Yayasan Lembaga Konsumen Indonesia**

(YLKI)

Jl Pembangunan I No. 1, Duren Tiga
Jakarta 12760 Indonesia
tel. 6221 7981038 fax 6221 7981038

- **Japan Consumers Union**
1-10-16 Meguro-Honmachi
Meguro-ku Tokyo Japan
tel. 81 3 52690943 fax 81 3 52690964
- **Consumers Association of Penang (CAP)**
228 Macalister Road
10400 Penang Malaysia
tel. 604 373511 fax 604 368106
- **Inter-Republican Confederation of Consumer Societies (KONFOP)**
Obshestv Potregitelej Varvarka 14
103 690 Moscow Russia
tel. 7095 2984554 fax 7095 2984718

■ **Coordination gegen BAYER-Gefahren (Coordination Against Bayer Dangers)**
(Hofstr. 27a 5650 Solingen 11 Germany tel. 49 21 23334954) investigates and publishes documents on the German chemical giant Bayer.

■ **Documentation for Action Groups in Asia (DAGA)** (96, 2nd District Pak Tin Village Mei Tin Road Shatin NT Hong Kong tel. 8522 6971917 fax 8522 6971912) used to published (but no longer does) a regular newsletter with clippings of articles on TNCs from Hong Kong, Philippine, and some Asian regional newspapers. DAGA also produced several studies on the social impacts in Asia of TNCs primarily in agribusiness sector.

■ **Earthlife Africa** (PO Box 11383 Johannesburg 2000 South Africa tel. 27 11 4774653 fax 27 11 8393764 Contact: Chris Albertyn) is a broad-based environmental pressure group which has been involved in many coalitions with trade unions. Its work on toxic pollution has been the catalyst for many

worker-related health, safety, and environment campaigns.

■ **Ethical Consumer** (16 Nicholas Street 6th floor Manchester M1 4EJ United Kingdom 44 161 2371630 fax 44 161 2282347 Contact: Anna Thomas) is a monthly magazine focusing on the labor and environmental records of TNCs. It does not aim to provide in-depth analysis of corporate practices, but to provide consumers with easy-to-understand information on the "ethics" of producers. It is a bimonthly with an annual subscription of 15 pounds, but does offer exchanges.

■ **The IBON Philippines Databank and Research Center** (3rd floor SCC Building 3892 R. Magsaysay Boulevard Sta. Mesa Manila or P.O. Box SM-447 Manila the Philippines tel. 632 600203/603983 fax 632 7160108) has, as part of a TNC project begun in 1987 and which was recently concluded, conducted in-depth research on TNCs' operations in the Philippines and produced a number of publications including the Directory of TNCs in the Philippines, the TNC DATAMAP, and, most recently (1994), TNCs -- In the Thick of Everything, which is particularly informative about corporate financial practices and schemes.

■ **INFACT** (256 Hanover Street Boston, Massachusetts 02113 USA tel. 1617-742-4583 fax 1617-367-0191) has the goal of stopping life-threatening abuses by TNCs. The group has researched and conducted well-publicised campaign boycotts on Nestle (for infant formula), General Electric (for its involvement in the nuclear weapons business), and is currently calling for a boycott of tobacco industry TNCs. In 1992, INFACT won an Academy Award for its video "Deadly Deception," which exposed the human and environmental costs of GE's nuclear weapons work. INFACT publishes a quarterly update.

■ **Instituto Brasileiro de Analises Sociais e Economicas (IBASE)** (Rua Vicentede Sousa, 29 Botafogo 22251-070 Rio de Janeiro Brazil tel. 55 21 2866161 fax 55 21 2860541) is a research center and information clearinghouse for issues such as human rights, TNCs, trade, food, nuclear energy, and indigenous peoples.

■ **The Institute for Agriculture and Trade Policy (IATP)** (1313 Fifth Street SE Suite 303 Minneapolis, Minnesota 55414 USA tel. 1612-379-5980 fax 1612-379-5982 Contact: Kristin Dawkins) educates and assists citizens working to influence farm, environmental, trade union, and consumer policy at the local, national, and international levels. It works on TNCs in context of trade (Dawkins is the author of NAFTA, GATT and the World Trade Organization The New Rules for Corporate Conquest in 1994), biotechnology (Michelle Thom wrote RBGH, Monsanto, and Corporate Agriculture in 1994), and other issues.

■ **The International Trade Information Service (ITIS)** (PO Box 73866 Washington, DC 20009 USA tel. 1202-234-2847 fax 1202-462-4507 Contact: Jim Vallette) monitors and exposes the harmful social and environmental impacts of world trade, in part by investigating cargoes which are produced, consumed, or disposed of in ways which violate labor and political rights, encourage armed conflict, or otherwise harm human life and the environment. ITIS publishes an occasional series of profiles, most recently on trade between the US and Indonesia, which examined the activities of the US mining firm Freeport-McMoran as well as of Nike. ITIS has also published a report for Greenpeace which describes and analyses those TNCs which continue to produce and profit from the manufacture of ozone destroying chlorine and bromine.

■ **The McLibel Support Campaign** (c/o London Greenpeace 5 Caledonian Road London

N1 9DX UK tel./fax 44 171 7131269) works to help in the case of two unwaged campaigners defending themselves against a libel suit brought against them by McDonalds. The trial, which began in Autumn 1994 and is still continuing as of Autumn 1995, has led to many revelations from McDonalds, including evidence that the company used beef from Brazil, and has also covered issues such as employment and rainforest destruction. The case has been an interesting and useful experiment in using the courts to obtain information about a TNC's practices. The Support Campaign uses donations to pay for witness and other costs for the defendants.

■ **Pacific Asia Resource Center (PARC)** (303 Seiko Building 1-30 Kanda-Jimbocho Chiyoda-ku Tokyo 101 Japan, mailing address Box 5250 Tokyo International Post Office tel. 81 3 32915901 fax 81 3 32922437 Contact: Maeda Miho) is a research, campaign, and publishing organization which focuses on social and economic development issues including industry, corporations, and foreign investment. It produces an English-language quarterly, AMPO (overseas price US\$28 individuals/US\$40 institutions) which covers Japanese TNCs in sectors such as motor vehicle manufacture (e.g., Toyota), chemicals (e.g., Mabuchi, Mitsubishi), fisheries (e.g., Taiyo), steel (e.g., Kawasaki), and electronics (e.g., Sony).

■ **People's Action Network to Monitor Japanese Transnationals (PAN)** (3-2-1 Nakamachi Machida-shi Tokyo 194 Japan tel./fax 81 4 27220360) tracks various Japanese TNCs and has been involved in campaigns including against Mitsubishi Kasei Company for the pollution caused by its joint venture partner in Malaysia. PAN publishes Japan TNCs News.

■ **Third World Institute** (Don Quijote 2523 Ap. 1002 Montevideo Uruguay tel. 598 2 496192 Contact: Roberto Bissio) conducts research on political and social issues, economic development, and the environment in the less-industrialized world. For over a decade, it has published a reference book, Third World Guide, which gives key economic, social, and ecological indicators as well as other information on both industrialized and less-industrialized countries, and includes a section on TNCs.

■ **The Program on Corporations, Law, and Democracy (POCLAD)** (PO Box 806 Cambridge, Massachusetts 02240 USA) researches ways to reassert citizens' control over corporations in the US, particularly by challenging the state charters from which companies derive their legal standing. Recently, POCLAD had petitioned authorities in the state of Delaware to withdraw the charter of WMX (formerly Waste Management), citing numerous prosecutions for pollution offences. ■

Labour Actions and TNCs

Both unionised and non-unionised workers at a TNC's factory will obviously know a great deal about its practices from the inside. Equally obviously, whether or not they will speak with you will depend on circumstances, what they expect to gain or lose, etc. If conditions at the plant are especially bad, it may take some digging but you'll usually find someone who will talk.

Trade unions are an authoritative source of information about industries and individual corporations. Well informed about many facets of a company's operations, including otherwise difficult-to-find information about particular facilities, they will usually be willing to answer your questions or provide other sources you need, and grateful if you have something to exchange.

Furthermore, as the following discussion of strategies outside the workplace indicates, workers and trade unions have in the past decade come up with creative ways of combatting the effects of increasing corporate power and mobility.

Workers' Strategies Beyond the Workplace in the US and India

"Corporate Campaigns"

In the past decade and a half, trade unions and other groups, notably in the United States but elsewhere as well, have supplemented their traditional workplace tactics against corporate employers (strikes,

slowdowns, and working-to-rule, i.e., doing the bare minimum required) with efforts which are external to the workplace. Commonly referred to as "corporate campaigning," these efforts include lobbying or otherwise putting pressure on a company's sources of financing and key institutional investors as well as shareholder activities such as participating or demonstrating at the firm's annual general meeting.

Corporations often obtain credit financing from banks and insurance companies, which may in turn have representatives on the firm's board of directors. In the US and a number of Western European countries, banks and insurance companies, along with pension funds and investment vehicles (e.g., mutual funds), are major institutional investors in publicly traded corporations (that is, they own or control significant amounts of the companies' stock). By virtue of such relationships with various firms which have been targeted, these institutions can themselves become targets. Those institutions financing the company can be asked to distance themselves—by tightening credit terms or withdrawing credit completely—and stockholders are subject to pressure and appeals for support through face-to-face contacts or at annual shareholder meetings.¹

In the US, trade unions have not merely relied on their arguments to pressure financial institutions, they have also made it known when they have monetary leverage to exert. In one case, trade unions said they would withdraw US\$1 billion in deposits

Corporate Campaigns

US labour organiser Ray Rogers of **Corporate Campaign, Inc.** actually coined the phrase "corporate campaign" in the late 1970s. Rogers explains what he means by the term: "I would define a corporation as a coalition of individual and institutional interests, some more vital and vulnerable than others, that can be challenged, attacked, divided, and conquered. I look at all the members of the board of directors, the top management. I research them thoroughly so that I understand how much influence they really wield in terms of the other institutions they're tied into, their political connections, etc. Then I lay everything out in a chart. And I begin to get a picture of who really wields the power within that board of directors, either as individuals, or as individuals representing institutions... The next step is to identify the power that can carry out the plan. This power is based on people and money. Who can be mobilised? Are there unions or community groups who can join demonstrations? Are there organisations that can invest or withdraw significant sums of money? Where do my allies, the unions and community

groups, have their bank accounts? Where do they have their insurance policies?

"When we put out a brochure, we may have a labour fight with a company, but we'll also talk about the company's environmental problems...their violations of equal rights, you name it. We hang out all the dirty linen, because we're helping to build allies and making people realise that this isn't only a labour struggle, it goes much further. We explain how people can help, whether it's by contributing money, ordering more leaflets to distribute, setting up a support group, setting up a press conference, writing letters, committing to pull money out of a financial institution..There's a lot of people out there who really want to help you, but you've got to tell them how." ³

Besides **Corporate Campaign, Inc.**, for more information on corporate campaigning you can contact: the **Hotel Employees and Restaurant International Union Research Department**, the **Labor Institute**, and the **AFL-CIO**, as well as the **Midwest Center for Labor Research** (3411 Diversey Avenue Suite 10 Chicago, Illinois 60647 USA tel. 1312-278-5418 fax 1312-278-5918).

from a bank which had ties to a targeted company, a threat which successfully forced the bank to dissociate itself from the firm.²

Workers' Cooperatives

Realisation that trade unions' traditional workplace strategies have provided diminishing returns in the last decade has led to a different, innovative response by the **Indian Centre for Workers' Management (CWM)** (63 T.K. Giri Nagar Kalkaji New Delhi 110019 tel. 91 11 6229456 fax 91 11 6980183 Contact: D. Thankappan).

CWM assists worker activists and trade unionists to revive and run industrial

enterprises which are "sick" (i.e., on the verge of collapse and liquidation) or otherwise under threat of closure, by: 1) helping them negotiate loans from banks and other financial institutions and navigate through the bureaucracy of government regulators; and 2) teaching them accounting and managerial skills. CWM's approach grew out of an unprecedented and well-known example of employees taking over a "sick" Bombay-based company, Kamani Tubes Ltd., in the 1980s and through a workers' cooperative successfully nursing it back to profitability.⁴

Even before companies face bankruptcy, CWM helps workers monitor

Workers' Cooperatives

D. Thankappan, labour organiser and Director of the Centre for Workers' Management, describes workers' cooperatives and the struggle for the right to take over Kamani Tubes Ltd.:

"The workers' cooperative initiatives are dissimilar to other cooperative endeavors. The formation of a cooperative is often meant for starting a new venture whereas the worker cooperative's efforts are initiatives to revive and continue the operations of enterprises which have failed in the past....This means the workers have to struggle not only for raising capital but also for fighting out a legal battle to take control of firms/enterprises under worker cooperatives....

"The experience of KTL [Kamani Tubes Ltd.] has brought out three factors clear to the working masses in our country. Firstly, the starving workers can also raise capital just like the capitalists. Secondly, the workers can also

manage their enterprise through professionals and thirdly, the workers' cooperatives can raise capital from the banks and financial institutions on the same basis as any other entrepreneurs....Still, a lot of change is essential with respect to the approach and attitude of the banks and financial institutions. The KTL experience shows that workers had to wage a stiff persuasive struggle to get the necessary support from the Government, banks, and financial institutions. The initial reaction to the workers' scheme was negative....

"The bankers could not accept the workers' cooperative as promoters....[I]t took three years for the KTL workers to secure support from banks. At the final hearing before the Board for Industrial and Financial Reconstruction [which examines industrial enterprises and decides as to their fate] towards the end of July 1988, the State Government, banks, financial institutions, and

various agencies supported the workers' scheme in KTL. But the promoters of KTL, i.e., the Kamanis, went up to the Supreme Court to scuttle the scheme. The Supreme Court gave a historic verdict in favor of workers, establishing a case law for similar takeovers by workers....

"The worker cooperative experience is something different because here the workers are intimately connected with production processes and management systems will have to be transparent. Instead of the earlier concept of one or two owners, hundreds of owners will be watching the whole process and therefore the system can be transparent. When the workers are allowed to assert democratically, the system can be cleansed. The transparent system of management can be ensured by democratic practices. This is our experience in Kamani Tubes."⁵

the financial performance of enterprises and develop early warning techniques to prevent closures. For the same purpose, and to empower workers more generally, CWM also encourages trade unions to expand their focus strictly from labour rights issues to management education and training.

Using the US's Generalised System of Preferences

The Generalised System of Preferences (GSP) is a US trade program to encourage

trade between the United States and less-industrialised countries by allowing the latter special status to export certain products to the US without paying any tariffs. Before countries can participate in certain trade programs with the US, however, they must agree to respect five internationally recognised labour rights: the right to association; the right to organise and bargain collectively; a prohibition against forced labour; a minimum age for employment of children; and the right to acceptable working conditions with respect to minimum wages,

work hours, and a safe working environment.

If a government fails to enforce these labor rights, its country can lose access to the GSP. If these rights are being violated consistently, trade unions or other organisations can call attention to the violations by submitting petitions requesting that the situation be investigated. Filing such a petition alerts international rights activists to abuses committed by TNCs. Groups may then pressure the companies, and sometimes the government, to respect the workers' rights.⁶

Any person can submit a petition, which should be sent to the **GSP Subcommittee Trade Policy Staff Committee (STPSC) Office of the US Trade Representative**, 600 17th Street, NW Washington, DC 20506 USA tel. 1202-395-6971. The process of petitioning the STPSC can be complicated and time-consuming, and petitioners stand a better chance if they work with groups in the US such as the **International Labor Rights Research and Education Fund** (see address below) or the **Lawyers Committee for Human Rights** (330 7th Avenue 10th floor New York, New York 10001 USA tel. 1212-629-6170 fax 1212-967-0916). The case you make in your petition must be thorough and well prepared. In particular, it should:

- document violations in as many ways as possible (photos, clippings, affidavits, signed testimonies, etc.);
- try to involve US government representatives (e.g., embassy staff) in the documentation;
- involve witnesses from abroad (e.g., foreign journalists, human rights activists, religious leaders, etc.);
- seek statements from respected local citizens;

- try to show systematic pattern of rights violations;
- and document the country's failure to enforce its own laws, or call attention to any laws the country has which restrict basic worker rights.

Trade Union and Labour Information Sources on TNCs

Resources: Trade Unions

International trade unions frequently make available records describing contracts, corporate attitudes, and details of union busting tactics used during a campaign. In the United States, the **American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) Department of Organization and Field Services** (815 16th St, NW Suite 807 Washington, DC 20006 USA tel. 1202-637-5000 fax 1202-637-5012) maintains extensive files on unionbusting lawyers and firms based on reports from locals and international unions on specific campaigns.

Two US trade unions are also good resources for individuals researching TNCs:

■ **The Food and Allied Service Trades Department (FAST – AFL-CIO)** (815 16th Street, NW Washington, DC 20006 USA tel. 1202-737-7200) has put together several extremely useful manuals to help corporate and other researchers: Manual of Corporate Investigation -- Building Profiles of Public and Private Companies (revised ed. 1989); and a Political Investigation Manual (1993).

■ **The Hotel Employees and Restaurant International Union Research Department** (209 Golden Gate Avenue, San Francisco, California 94102 USA tel. 1415-626-1732 fax 1415-864-4158 Contact: Suman Ray) researches and implements corporate strategies

How to Investigate ?

In the United States, the Oil, Chemical, and Atomic Workers Union developed a questionnaire for its members and retirees which it uses when investigating a company facility.⁷ It is a detailed list of issues and materials which the Union has needed and pursued in the context of various work. The questionnaire was designed specifically for the oil and chemical industries, and not all the issues will be relevant to other sectors. But it serves as a good general model for the researcher doing a local community investigation of a factory (even if you don't have special access to trade union members). The following is a slight adaptation of the questionnaire.

The Plant and the Community

■ **Plant History** (scale drawing or blueprint of plant; when built; when, how, where expanded, and costs of expansion; projected expansion plans, if any; collection of company newsletters; collection of company financial statements; other company facilities or offices in area; parent company—names of officers and major shareholders; corporate philosophy—environmental policy, human relations policy)

■ **Property and Taxes** (ownership of land; facilities leased from whom; ownership of adjacent property—does plant border public land? does it have property or other tax breaks? is it correctly zoned?)

■ **Community/Neighborhood** (surrounding area -- residential, rural, commercial or mixed; nearest residential area; nearest school; nearest large factory; neighborhood at risk -- air, noise, fire, explosion; neighbors' perceptions of these risks; plant security -- name of security company, owner, and background; condition of fences; plant and neighborhood evacuation plan; historical relationship with neighbourhood and community; make-up of neighborhood--ethnic,

racial, religions, occupation, and income; names of workers who are residents of the immediate neighborhood; role of company in political history of area; relationship of local government officials with company.

■ **Safety, Health, and Environment** (history of spills, fires, explosions, other accidents, and their documentation; existence, role, and functioning of safety committees; record of occupational safety and health--results of inspections, health surveys, citations or fines, suspected health problems, contractor safety problems; air, groundwater, and soil contamination record--surveys, complaints, fines, suspected problems and cover-ups; wastes--on-site and off-site dumping history, locations, materials, dumping suspected legal or illegal; water treatment facilities—when installed and why, adequate/legal?, effluent monitored?; possibility of direct discharge of runoff, chemical oil spills, or sewer water in waterways; proximity of downstream water intakes and reservoirs for drinking or recreation)

■ **Utilities** (suppliers of gas, electric, water; locations of meters; all meters read regularly?; company waste in municipal sewage system?; plant well water intermingled with city drinking or fire system?)

■ **Financial Community** (local banks which company does business with; any financial or blood relationship between company and bank managements?; how have expansions been financed?)

■ **Media** (attitude of reporters or columnists towards company; any friendship or blood relationships between company management and media?)

■ **University** (any company donations to local university; any corporate awards of research contracts to local professors).

How to Investigate ?

Products, Product Flow, Markets

■ **Products** (description and relative volumes of products; end uses; any seasonal variations?)

■ **Processes, Manufacturing Practices** (general descriptions; maintenance practices; inefficient or wasteful operations -- wasted time, labour, product, or raw material; condition of units, tanks, lines; production and work schedules -- health, fatigue, efficiency aspects; manning practices -- adequate in emergencies?)

■ **Quality** (product uniformity; mistakes in product specifications or equipment design and cover-ups; off-spec product return and diluted with good product?, customer knowledge?)

■ **Competitors** (company relationships with competitors; competitors that are feared; names of top officers of competitors; any ownership/management/friendship/blood relationship of company with competitors; competitors seen on company premises?; pricing and costs -- unit costs, implied costs, values and suspected profits, high profit lines and why, discriminatory pricing/sales, predatory or below-cost pricing)

■ **Customers** (wholesale -- names and addresses, relative importance, customers' quirks, product-liability cases, ownership or blood relationship interlocks, problems with returned products, favored customers, backdoor or midnight deliveries - to whom?, deliveries without invoice procedures - to whom?; government -- local and federal contracts and expiration, competitively bid?, reported profitability of these contracts, volumes and prices specified in contracts, blood or other relationships between company and government officials; retail—names or kinds, and product market share; company marketing strategy)

■ **Suppliers** (raw materials, purchased products, and equipment supplied - any quality problems?; supplier companies, owners, and locations; company relationship to suppliers --

suspicious pricing arrangements, backdoor or midnight deliveries, personnel exchanged, blood or financial relationship)

■ **Transportation, Distribution** (methods for transporting raw materials, products, wastes; transportation owned or leased; materials properly transported? violations?; vehicles properly maintained?; hazardous cargo transported through residential neighborhood?; noise problems; history of accidents and company response; pipelines in or out of facility? destination?)

■ **Outside Contractors** (names; blood or ownership relationship with company management; workers properly licensed?, trained?; past history of owner - criminal record?; gratuities and favors paid by contractors to company supervisors)

Company Personnel

■ **Plant Managers, Industrial Relations Persons, Supervisors, Owners, Officers, Buyers, Sales People** (chart with names, titles, duties; profile of key managers -- local or imported, past work history, on the way up or down, relationships to subcontractors, suppliers, and customers, any theft of company materials, unauthorised use of company labor, civil or criminal convictions, real estate owned in area, friends and associates in the community, membership in any clubs, salary, expense accounts, kickbacks, political connections, record of drunk driving, gambling, or sexual harassment; feuds among plant managers; relationship between plant managers and headquarters executives.

■ **Quality of Management/Supervision** (excess number of supervisors, inefficient work scheduling, neglect of employee comments and suggestions)

■ **Ex-Managers and Supervisors** (names and addresses, work histories, grudges)

on companies involved in management and ownership of hotels and casinos in US cities. Most of its information pertains to the activities of major hotel management, real estate, construction, and land development. The TNCs it has campaigned on include: ITT Sheraton; Hyatt Corporation; Marriott Corporation; Hilton International; Inter-Continental Hotels-Seiyu Ltd (Japan); Nikko Hotels, JAL; Bass Plc; and Tokyu, Pan Pacific Hotels. The Research Department has also put together an excellent manual, Research Methods For Action, for the corporate researcher which includes among other things a great deal of information on computer database resources.

Outside the US, there are international trade secretariats, or groups of unions grouped according to industry. Those which tend to concentrate on the practices of TNCs include:

■ the **International Union of Food and Allied Workers Unions (IUF)** (rampe du Pont-Rouge 8 CH-1213 Petit-Lancy Geneva Switzerland tel. 41 22 7932233 fax 41 22 7932238); Asia and Pacific Office (Labour Council Building Room 5 8th floor 377-383 Sussex Street NSW 2000 Australia tel. 612 2646409 fax 612 2618539);

■ the **International Metalworkers' Federation (IMF)** (54 bis route des Acacias Case Postale 563 CH-1227 Geneva Switzerland tel. 41 22 436150 fax 41 22 431510); West Asian Office (M-11 Green Park Extension New Delhi 110 016 India tel. 91 11 664283);

■ the **International Federation of Chemical, Energy and General Workers' Union (ICEF)** (109, avenue Emile de Beco B-1050 Brussels Belgium tel. 32 2 6470235 fax 32 2 6484316); Asia and Pacific Regional Office (330-912 Hansin 19th Apt. Jamwondong Sucho-ku Seoul Korea tel. 82 2 2525137 fax 82 2 2351698);

■ the **International Federation of Commercial, Clerical and Technical Employees** (15, avenue de Balxert, Chatelaine CH-1219 Geneva Switzerland tel. 41 22

7962733 fax 41 22 7965321); Asia and Pacific Regional Organization (170 Upper Bukit Timah Road #14-03 Bukit Timah Shopping Centre Singapore 2158 tel. 65 467 7888 fax. 65 468 1410).

■ In addition, the **International Confederation of Free Trade Unions (ICFTU)** (Boulevard Emile Jacqmain 155 B 1 B-1210 Brussels Belgium tel. 32 2 2240211 fax 32 2 2188415) has member confederations in nearly 100 countries and works to improve access to information about TNCs to try to ensure effective and fair labor negotiations. ICFTU has a South Asia Regional Office as well in India (61-C Kalu Sarai Hauz Khas New Delhi 110 016 India tel. 91 11 6611279 fax 91 11 665881).

In India, the **Centre of Indian Trade Unions (CITU)** (15 Talkatora Road New Delhi 110 001 tel. 91 11 3714071 fax 91 11 3355856 Contact: P.K. Ganguly) has some 2.5 million workers in industries including steel, power, chemicals, oil, and electronics, and which are employed by TNCs such as ICI and Philips. CITU has over two dozen "State Committees" across India which may be able to provide information. Those with members working in corporate industrial sectors are:

- Karnataka State Committee of CITU
No. 12 Thanappa Gardens 18th Cross
Sampangi Rama Nagar
Bangalore 560 027
- West Bengal State Committee of CITU
53-Acharya J.C. Bose Road
Calcutta 700 016
- Tamilnadu State Committee of CITU
13 Mosque Street Chepauk
Madras 600 005
- Maharashtra State Committee of CITU
Janashakti Globe Mill Passage Worli
Bombay 400 013
Maharashtra

- A.P. State Committee of CITU
N V Bhaskara Rao Smarak Kendra
1-1-60/4 RTC 'X' Road Mushirabad
Hyderabad 500 020
Andhra Pradesh

■ For information on the 93 per cent of India's workforce not organised in national trade unions, the **National Centre for Labour** (No. 19 Sixth Cross Pukkaraj Layout Adugodi Post Office Bennarghatta Road Bangalore 560030 India tel. 91 80 2238739 Contact: N.P. Swami) is a coalition of organisations working with India's unorganised sector (this includes agricultural workers, contract workers, small-scale factory employees, and other informal sector laborers) to fight for control over natural resources, better working conditions, and self-employment.

Other Labour Resources

■ The **Asia Monitor Resource Center** (444 Nathan Road, 8-B Kowloon Hong Kong tel. 8522 3321346 fax 8522 3855319 Contact: Serapina Cha) focuses on Asian labour concerns and provides information, research, labour networking, electronic communications, and related services to trade unions, labour groups, and other development organisations. It monitors general and specific aspects of labour in Asia including statistics/data on Asian wages, occupational safety and health, free trade zones, and TNCs. It also has a library with information from trade unions, non-governmental organisations, grassroots groups, and government, and industry sources which is accessible to those interested. The Center produces "Asia Labour Update," a quarterly news bulletin (the subscription is US\$12, but labour groups and Asia-Pacific-based organisations can ask for complimentary copies), as well as books and pamphlets on worker safety, foreign aid, environmental hazards, etc. A recent monograph on working conditions in major sneaker companies such as

Nike and Adidas is available on request.

■ The **Asian-American Free Labor Institute (AAFLI)** (1125 15th Street, NW Suite 401 Washington, DC 20005 USA tel. 1202-737-3000 fax 1202-785-0370 Contact: Gigi Howell) is an international arm of the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO). AAFLI cooperates with trade unions in Asia, the Pacific, and the Near East in various ways including: training shop stewards for trade unions; providing educational and training materials on occupational safety and health; supporting a campaign to assist women workers; and sponsoring labour counseling centers to inform workers of their rights. AAFLI pushes for corporate accountability to promote safe labour conditions, worker health and safety, and the enforcement of standards on child labour. It publishes a variety of pamphlets, a quarterly newsletter, "AAFLI News" and other materials including "Southeast Asia Labor Notes."

■ **Corporate Campaign, Inc.** (51 East 12th Street 10th floor New York, New York 10003 USA tel. 1212-979-8320 fax 1212-979-1220 Contacts: Philip Mattera and Ray Rogers) helps labour unions develop strategies to challenge corporate practices based on an understanding of companies' financing and institutional investors. For a fee, Corporate Campaign, Inc. can offer assistance in research, media relations, and organising. Mattera has authored World Class Business A Guide to the 100 Most Powerful Global Corporations (1992) and Inside US Business A Concise Encyclopedia of Leading Industries (1994).

■ The **International Labour Resource and Information Group (ILRIG)** (Box 213 Salt River 7924 South Africa fax 27 21 4482282 Contact: Celia Mather) is a resource and education group which works with progressive trade unions in South/Southern Africa. Among other projects, ILRIG helps trade unions to research TNCs and, when requested, provides TNC profiles. Until recently, its research tended

towards examining corporations at the local or national level, but since South Africa has opened its doors to foreign investment, ILRIG is working to build an international information network. ILRIG is currently investigating hotel chains in the Southern Africa region, and in fall 1995 is publishing an education pack on TNCs as well as a directory of organisations working on TNCs.

■ **The International Labor Rights Education and Research Fund** (100 Maryland Avenue, NE Box 74 Washington, DC 20002 USA tel. 1202-544-7198 fax 1202-543-5999 Contact: Pharis Harvey) is a non-profit organization of human rights, labour, religious, consumer, academic, and business groups dedicated to assuring that all workers labour under reasonable conditions and are free to exercise their rights to associate, organize, and bargain collectively. The Fund publishes a newsletter, "Worker Rights News" (annual subscription US\$25), and seeks to forge relationships with counterpart organizations outside the US to share information and educational materials. It also supports research by building a database of information on labour laws and practices in countries receiving US trade benefits and studying alternative means to encourage and enforce higher labour standards. In particular, the Fund pushes for implementation of a 1985 US law which prohibits the Overseas Private Investment Corporation (OPIC), a quasi-governmental agency, from issuing business risk insurance to US-based TNCs for projects in countries that do not grant their workers internationally recognised worker rights.

■ **The Labor Institute** (853 Broadway #2014 New York, New York 10003 USA tel. 1212-674-3322 fax 1212-353-1203) conducts educational training programs for activists from trade unions and communities, and has worked on corporate campaigns against Merck, 3M

Company, and BASF. As part of its training activities, the Institute has designed innovative books for training workshops on the "jobs vs. environment conflict" and on the socioeconomic effects of increasing corporate power in the United States. These publications are easy to read, with a lot of vivid charts and graphs to illustrate points.

■ **The National Labor Committee (NLC)** (15 Union Square Suite 524 New York, New York 10003 USA tel. 1212-242-0700 fax 1212-255-7230) is an independent research and human rights organisation focusing on the protection and promotion of worker rights in the Americas. Among its activities, the NLC monitors US corporations which manufacture or contract overseas to ensure that they do not violate workers rights and provides links between US workers and their foreign counterparts, educating them as to why it is in their interest to support labour rights not just in their own country. The NLC has done a great deal of work on textile and apparel companies and retailers. ■

Notes

1. Lawrence Mishel, "New Tactics for Labor," Labor Research Review (Midwest Center for Labor Research), Fall 1985.
2. Selections from "A Troublemaker's Handbook," in Research Methods for Action, Hotel Employees & Restaurant International Union, 1994.
3. Ibid.
4. See The Takeover, Society for Participatory Research, New Delhi, 1990.
5. D. Thankappan, "Workers' Cooperatives."
6. For more information on using the GSP, see Jim Sugarman, Field Guide to Labor Rights, Essential Books, Washington, DC, 1993.
7. The questionnaire is in Research Methods for Action, op cit.

Legal Actions and TNCs

Changes in the law have emerged in the last decade which can be potentially useful for activists seeking to hold TNCs more accountable. This chapter will discuss such changes outside and in India.

Challenging “Forum Non Conveniens”

Attempting to take a TNC to court in its home country for something it did in another country has historically been extremely difficult. As discussed in Chapter 2, efforts to bring Union Carbide to trial in the United States for the Bhopal gas leak, for example, were dismissed by the presiding judge, who agreed with the company's lawyers that it would be more convenient and proper to the parties if Indian courts heard the case. This argument, known in the US as “forum non conveniens,” has been and is a key tactic TNCs employ to evade legal responsibility and its financial consequences for harm caused by their activities, particularly in less-industrialised countries.

Since Bhopal, however, there have been several promising developments in challenging “forum non conveniens.” In 1984, Costa Rican workers filed suit against Shell Oil (Royal Dutch/Shell's US subsidiary) and Dow Chemical, for harm they allegedly suffered as the result of exposure to one of the companies' agrochemicals. The companies pleaded “forum non conveniens,” but in what was hailed as a landmark decision the Texas State Supreme Court in 1990 rejected the argument.¹

Unfortunately, this Texas State ruling has since been invalidated, but in another current case US lawyers have on behalf of 30,000 people in Ecuador filed a class action lawsuit in a US federal court against the oil giant Texaco, for human health and environmental damages they allege Texaco caused as a result of its 20 years of drilling operations in the Ecuadorian Amazon. The plaintiffs are arguing that the United States is the appropriate site for the case because the critical decisions which resulted in the damages to the plaintiffs were made by Texaco executives at the company's US headquarters.

Although Texaco has tried to dismiss this case and move it to Ecuador, in part based on the “forum non conveniens” argument, the judge in 1994 allowed the case to go forward with the discovery process (i.e., to interview Texaco employees under oath and look at the TNC's records). Discovery has been on hold while the parties attempt to reach a settlement. According to plaintiffs' lawyers, it is likely that efforts to settle out of court will fail and that discovery will proceed. The legal breakthrough, if it occurs, would come post-discovery—probably in 1996—were the court to deny formally Texaco's motion to dismiss the case.²

Outside the US, there is also an interesting development. In 1994, lawyers filed a lawsuit in Australia against a consortium including the Australian mining firm BHP on behalf of 30,000 villagers in Papua New Guinea who allege that the consortium's activities have destroyed the river upon which they depend. A BHP

representative says the issues raised in the litigation are “domestic issues for PNG and the appropriate body to address [them] is the government of PNG.” The case is pending.

3

Initiatives such as these offer at least guarded optimism that there may be emerging legal mechanisms to hold TNCs to account. According to Tim Jenkins of Friends of the Earth and David Hunter of the Center on International Environmental Law: “There are many difficulties in this approach [i.e., challenging “forum non conveniens”], but the long-term trend appears to be increased extraterritorial application of domestic laws over corporate activities abroad.”⁴

Some Practical Advice

Because challenges to “forum non conveniens” have developed mainly in the United States, the following discussion will focus on the US context. Lawyers who worked on the case against Shell Oil and Dow Chemical (**Misko, Howie & Sweeney** Turtle Creek Centre Suite 1900 3811 Turtle Creek Boulevard Dallas, Texas 75219 USA tel. 1214-443-8000 fax 1214-443-8010 Contact: Charles Siegel) have put together a booklet with practical advice for other attorneys (and also useful for activists) about how to mount “toxic tort lawsuits,” which “include injuries from contamination of property from use of a product or from exposure to harmful substances in the environment or in the workplace” (a “tort” is a wrong or injury for which there is a remedy by compensation or damages).⁵ These suits can involve hundreds or thousands of plaintiffs.

The booklet provides a series of questions which attorneys (and activists)

who are potentially interested in launching such a lawsuit should ask at the outset:

- how well accepted is the causal connection between the toxic substance and the injury?;
- how significant is the exposure?;
- is there a statute of limitations or statute of repose that could bar the action?;
- how severe is the injury, is there a likelihood of progression or the development of other associated injuries in the future?;
- how many plaintiffs are involved?;
- is there sufficient lawyer time and support staff, and are there resources to finance the litigation, including gathering medical evaluations, follow-up reports and records, retaining qualified experts and deposing worldwide defense witnesses and experts?;
- and are the lawyers able and prepared to spend years on the case?

In addition to the above questions, it is crucial to choose the court in which to file a toxic tort suit carefully. Lawyers, activists, and citizens outside the United States who are involved in such litigation will have to depend heavily on the US attorneys’ judgment about this matter. Besides legal issues, there are also important pragmatic considerations regarding the place of trial: are the lawyers familiar and comfortable with the judge?; do they perceive the jury pool as potentially favorable?

US lawyers working for the plaintiffs in the Texaco case (**Cristobal Bonifaz or John Bonifaz** Tucker Taft Building 48 North Pleasant Street Amherst, Massachusetts 01002 USA fax 1413-256-0774 or tel. 1617-424-7950 fax 1617-424-7752) also offer some pointers to those outside the United States interested in this route. They stress that in presenting a prospective case to a US lawyer you want

to solicit, it is extremely important to be as specific and comprehensive as possible in the assessment of damages to people and the environment and to argue the extent of these damages as vigorously as possible. This makes it easier for the attorney to evaluate the case, and the more persuasive you are, the better the possibility the lawyer will take it on. Using local, in this case Ecuadoran, experts to provide evidence has been one reason, say plaintiffs' lawyers, that they've been successful.

Regarding costs, attorneys' fees will vary. If you find lawyers who are willing to take on your case, they may do it pro bono but with an arrangement to get some of the monetary relief, if that is ruled. Alternatively, the court may order the defendant to pay the plaintiffs' fees. The point is that these expenses, while obviously a significant factor, should not stop lower-income individuals and organizations from looking into the possibility of challenging "forum non conveniens."

For more information on legal issues, contact the lawyers listed above, or:

■ **The Center for International Environmental Law (CIEL)** (1621 Connecticut Avenue, NW Washington, DC 20009 USA tel. 1202-332-4840 fax 1202-332-4865) is a public interest law firm dedicated to protecting the environment and promoting democracy through the development of international environmental law. CIEL has provided advice especially to the Central and Eastern European community on topics including monitoring privatization, foreign investment, and development assistance.

■ **Environmental Law Alliance Worldwide (ELAW)** (1877 Garden Avenue Eugene, Oregon 97403 USA tel. 1503-687-8454) is a global alliance of public interest attorneys committed to defending the environment

through law and building local people's capacity to challenge environmental threats facing their nations. Among its other functions, ELAW provides environmentalists with legal precedents, model legislation, expert witness testimony, and information about TNCs operating outside the US. It also hosts non-US environmentalists in the United States to study environmental law and network with US groups.

■ **The Foundation for International Environmental Law (FIELD)** (Department of Law School of Oriental and African Studies University of London 46-47 Russell Square London WC1B 4JP UK tel. 44 171 6377950 fax 44 171 6377951 Contact: Nadia Mackenzie) is a legal resource center which contributes to the development and enforcement of the rule of international law relating to environmental issues (e.g., energy, pollution, fisheries, intellectual property rights). FIELD also provides assistance to non-governmental and voluntary organizations and is especially concerned to assist, on a pro bono basis where possible, lower-income groups.

Public Interest Litigation in India

In the 1980s, two remarkable developments in the Indian legal system have taken place. One concerns the broadening of the application of existing environmental laws in the country and the other relates to a type of judicial activity known as Public Interest Litigation (PIL). These two developments have given more scope to citizens and public interest groups to prosecute a public authority or corporation which violates basic human rights of citizens as well as government rules and policies generally.

For instance, until the enactment of the Environment (Protection) Act of 1986,

the power to prosecute under Indian environment laws belonged exclusively to the Government. Citizens had no direct statutory remedy against a polluter who, say, discharged an effluent beyond the permissible limit. But under Section 19 of the Environment Act, a citizen may prosecute an offender by a complaint to a magistrate. Prior to complaining, s/he must give the Government 60 days notice of her/his intention to complain.

Other provisions allowing citizens participation in the enforcement of pollution laws are now found in Section 43 of the Air Act, as amended in 1987, and in Section 49 of the Water Act, as amended in 1988. Significantly, both these amended sections require the Pollution Control Board to disclose relevant internal reports to a citizen seeking to prosecute a polluter. Thus, the activist can use the provisions in these laws to prosecute TNCs violating the environmental policies and regulations of India.

Similarly, there has been an expansion of citizens' participatory rights in public interest litigation. Traditionally, only an individual who had had her or his rights violated was entitled to seek remedy under PIL. In public actions, this meant that a person asserting a public right or interest had to show that s/he had suffered some special injury over and above what members of the public had generally suffered. However, cases such as air pollution caused by a particular corporation were difficult to redress. This led to a modification of the traditional rule which now permits a citizen to challenge harmful actions in the public interest even though that citizen has not suffered any harm personally. This has encouraged many

lawyers, non-governmental organisations, environmental, and human right groups to take legal actions. The closure of limestone quarries in the Dehradun region as well as of polluting tanneries along the Ganges are examples of environmental cases taken up by public interest lawyers and environmental groups under PIL.⁶

A number of public interest lawyers and legal groups who have experience in filing PIL can be contacted for further details. They include:

- **Lawyers Collective** (Engineers House
86 Apollo Street Bombay 400 023
Contacts: Colin Gonsalves, Mihir Desai)
- **Indian Council for Enviro-Legal
Action** (5 Anand Lok New Delhi
Contact: M.C. Mehta)
- **R. Venkatramani** (14 A/13 WEA Karol
Bagh New Delhi 110 005)
- **Public Interest Legal Support and
Research Centre** (A-131 New Friends
Colony New Delhi 110 065 Contact:
Rajeev Dhawan) ■

Notes

1. Lis Wiehl, "Texas Courts Opened to Foreign Damage Cases," The New York Times, 25 May 1990, and Ellen Hosmer, "First World Justice," The Texas Observer, 13 July 1990.
2. Chris Jochnik, "Amazon Oil Offensive," Multinational Monitor, January/February 1995, and interview with John Bonifaz.
3. Quoted in Corporate Crime Reporter, 19 June 1995.
4. Tim Jenkins & David Hunter, Multinational Corporations and the Environment: An Introduction for Central and Eastern Europeans, Friends of the Earth European Coordination, Brussels, 1993, p. 15.
5. The booklet, Toxic Torts, was published in Summer 1994.
6. For a detailed analysis of PIL and environmental law, see Environmental Law and Policy in India by Armin Rosencranz, Shyam Divan and Martha L. Noble, Tripathi, 1991.

Environmental Actions and TNCs

The environmental movement gained considerable momentum in the last decade, especially in North America and Western Europe. Given TNCs' enormous and often destructive impacts on ecosystems, environmentalists have frequently been directly and indirectly involved in researching and campaigning on TNCs. And there has been some measure of success in the North, for example, in preventing construction of dangerously polluting waste incinerators and in calling attention to the pervasive toxicity of chlorine.

Unfortunately, such advances sometimes mean that TNCs shift their investment to less-industrialised countries, as is happening with the chlorine sector. Individuals and groups in these countries need to be aware of the threats such hazardous migration pose to their environment, their lives, and the lives of their children.

Community efforts are essential to holding TNCs accountable. As the case studies in Chapter 3 suggest, activists and citizens in India can be extremely committed to challenging unwanted TNC investment, and exceptionally creative and organised about mounting those challenges, especially at the local level. Of course, people outside India have also sought to prevent such investment, and some groups have come forth with criteria by which to judge or screen the safety and benefit of TNCs' investment in local communities. These criteria emerged largely from environmentalists' concerns, but pertain to other aspects of TNC practices and accountability, and are —or should be—

relevant anywhere in the world. They are outlined below.

Precautionary Action

The principle of precautionary action arose due to increasing recognition that past approaches to environmental protection against chemical hazards, based on the assumption that the environment has an "assimilative capacity" to receive and render harmless the vast quantity and variety of toxic pollutants, had failed. The principle has four components:

- ◆ The precautionary approach shifts onto the proponent of an activity, i.e., the TNC, the burden of demonstrating that it is not likely to harm human health or the environment. Typically, those affected by the activity have or have had to demonstrate proof that they were being harmed.
- ◆ The principle of precautionary action must reflect an approach based on prevention of contaminant inputs, rather than the common (but outdated) notion of attempted control of contaminants. That is, it must not reflect a permissive approach based on "allowable emissions," but must be based on prevention and elimination of contaminants at the source.
- ◆ The principle of precautionary action is universally viewed as requiring preventative action before waiting for conclusive scientific proof regarding the cause and effect relationship between contaminants and resulting ecosystem damage.
- ◆ The safest and cleanest production

should be the goal of any new investments and development projects. The traditional focus on disposal options and end-of-pipe measures should be replaced with a priority focus on substitution to eliminate the generation of hazardous wastes and products. Based on the human health or environmental threats of certain processes, some investments simply should not be accepted.

Freedom of Information

There is a direct relation between citizen access to information and the ability to ensure TNC accountability. Once a systematic and concerted transfer of knowledge is assured, there can be full and informed community involvement in decisions pertaining to corporate investment proposals. The "right to know" is an essential prerequisite to public participation and legal remedy. Freedom of information includes: open public access to all government files and statistics, film, video, and computer information relevant to the TNC and its proposal, and copying rights to such information available at a reasonable rate; and requires that business confidentiality, "proprietary information," and "trade secrets" are never used as a rationale for denying information which is relevant to assess the human health or environmental hazards of an activity.

Environmental Impact Assessments and Audits

To protect human health and ecosystems, an environmental impact assessment should be undertaken by an independent, external consultant, with the full consultation of the

public and regulatory bodies, prior to undertaking any new TNC projects. The objective of an impact assessment is to ensure that the options being considered are environmentally sound and that any ecological consequences are recognised early in the project cycle and taken into account in the project design. One result of the EIA could be that a project does not proceed. An environmental audit is the equivalent of an assessment, but for already existing operations. It is a systematic examination of the interactions between any business operation and its surroundings, and includes: all emissions to air, land, and water; legal constraints; the effects on the neighboring community, landscape and ecology; and the public's perception of the operating company. The results of both environmental impact assessments and audits should be accessible to the workers, affected communities, shareholders of the companies concerned; the general public, and governmental regulatory bodies.

Assumption of Liability

If TNCs are truly committed to environmental protection and the welfare of communities which host their activities, they will be willing to enshrine that commitment in legally binding liability agreements and contractual clauses, enforceable in any country of operation. By placing the responsibility for risks clearly with the corporation, such agreements strengthen the "polluter pays" principle and at the same time makes cleaner alternatives more attractive and economically viable. Therefore, legally binding liability should be seen as a tool for seeking not only redress of social or environmental grievances, but as a

powerful means of preventing environmental degradation and threats to human health. It is also a means of integrating traditionally excluded costs such as environmental degradation into economic decisions.

Public Participation and Training

Ensuring corporate accountability can be assisted by meaningful public participation in investment and production decisions. Such public participation should include: public hearings on all project and investment decisions which may impact a community; the public right to participate and submit comments as part of the environmental impact assessment and audit procedures; the right to public voting procedures such as initiatives and referenda regarding investment issues; the right to interview and question governmental officials involved in investment decisions; and the right to legal redress and remedies for environmental or personal damage.

For individuals or groups interested in a more detailed discussion of these criteria, see Screening Foreign Investments -- An Environmental Guide for Policy Makers and NGOs (1994) available from Third World Network (see address in **Chapter 4**).

Resources: Environment-Related Organisations

The following is merely a handful of organisations which may be useful resources for information on TNCs and the environment. The list below is supplemented considerably in the next chapter, which provides resources arranged by various corporate industrial sectors.

■ The Ecologist (Agriculture House Bath Road Sturminster Newton Dorset DT10 1DU UK tel. 44 125 8473476 fax 44 125 8473748) is one of the leading "green" magazines (annual subscription US\$25 for individuals and groups in less-industrialised and Central and Eastern European countries). This bi-monthly also has articles on a host of social issues in many countries, and often includes considerable coverage of a wide variety of industrial sectors and TNCs. Additionally, it devotes space to on-going campaigns, with contacts. An Indian edition, The Ecologist Asia (each issue Rs. 25, annual subscription Rs. 120), is available from: 620 Maker Chambers V Nariman Point Bombay 400 021 India tel. 91 22 2830061 fax 91 22 2874380.

■ **Friends of the Earth USA** (1025 Vermont Avenue Suite 300 Washington, DC 20005 USA tel. 1202-783-7400 fax 1202-783-0444) lobbies and campaigns around many issues including domestic and international toxic pollution. It published a pioneering report, Hold the Applause! A Case Study of Corporate Environmentalism (1991), on the gap between the rhetoric and practices of the chemical giant DuPont.

■ **The Good Neighbor Project for Sustainable Industries** (PO Box 79225 Waverly, Massachusetts 02179 USA tel. 1617-489-3686 fax 1617-489-2482 Contact: Sanford Lewis) has researched and produced documents about communities struggling against TNCs' toxic pollution. Recently, the Project began a campaign with another group to fight corporate secrecy policy initiatives -- for example, to amend the Freedom of Information Act -- which would allow corporations to hide environmental information from the public more easily. The Project intends to work to assist organisations engaged in education and advocacy regarding corporate secrecy.

■ **Greenpeace** (1436 U St NW, Washington, DC 20009 USA tel. 1202-461-1177 fax 1202-462-4507) has produced a number of TNC case

studies on "greenwash," that is, the discrepancy between what corporations say and do vis a vis the environment. The case studies are four to six pages long, and are on ABB, Alcoa, Royal Dutch/Shell, Mobil, Dow, DuPont, IP, Mitsubishi, Heinz/StarKist, Browning Ferris Industries, Ciba-Geigy, Norsk Hydro, Monsanto, Westinghouse, Aracruz, ICI, Rhone-Poulenc, Solvay, Sandoz, and GM). The Greenpeace office in New York City (Contact: Kenny Bruno) has files on other TNCs including Bayer, British Petroleum, Exxon,

RTZ, Ethyl, Upjohn, and Waste Management.

■ **The Working Group on Community Right to Know c/o the US Public Interest Research Group** (215 Pennsylvania Avenue, SE Washington, DC 20003 USA tel. 1202-546-9707 fax 1202-546-2461) is a grouping of US environmental and public interest organisations which publishes "Working Notes on Community Right to Know" to help promote communities' right to know about toxic pollution in the US. ■



Courtesy: Laxman / Times of India

Shareholder Actions and "Social Responsibility"

Shareholder actions describe efforts by individuals, small and large campaigning groups, and institutional investors in industrialized countries to try to influence corporate decision-making through the shareholder process, usually at the company's annual general meeting (AGM). For individuals and groups which do not already own shares of a firm's stock, this has usually meant one of several actions: 1) buying stock in the corporation and becoming a shareholder; 2) lobbying existing shareholders of the company to exert influence, notably those involved with "socially responsible" investing (see below); or 3) staging demonstrations or other activities at the AGM. The point of shareholder actions is not to out-vote a board of directors or otherwise cause an immediate change in company policy, but to generate awareness of issues within the corporation and among the general public. Over time -- and shareholder actions can go on for years -- it is hoped that such awareness will prompt the corporation to improve its practices.

Becoming a shareholder with a minimum investment means that the individual or group can try to

put particular policy issues on the agenda of an AGM (by filing a resolution to do so) or force a vote on policies at the meeting. In the US and Western Europe, there are share option schemes to enable employees to purchase stock, which they may then attempt to wield for a collective goal. For most workers and voluntary or NGOs, however, buying even a small amount of stock can be prohibitively expensive.

Moreover, corporate managements often have the power to exclude consideration of matters they deem outside a company's "ordinary business operations," thus obstructing shareholders' efforts to place social or environmental issues on an AGM's agenda. This is a serious barrier even to shareholders with significant amounts of stock. If you wish to pursue this avenue, you should contact organisations which help institutional shareholders file resolutions

such as the **Interfaith Center for Corporate Responsibility** in the US, the **Taskforce on the Churches and Corporate Responsibility** in Canada, or **Pensions and Investments Research Consultants Ltd.** in the UK (see addresses below).

Advocates of shareholder actions such as the UK-based **New Consumer** acknowledge that

Annual General Meetings can offer valuable opportunities for activists to call attention to social, environmental, or other concerns.

“AGMs largely fail to provide a forum for shareholders to control companies by holding open debates about the details of their company’s activities, and by holding the directors properly accountable.”¹ Supporters of such actions note, however, that AGMs are public occasions, indeed major public relations events, when corporations are trying to present themselves in the best light possible. In this context, AGMs can offer valuable opportunities for activists to call attention to social, environmental, or other concerns. Staging demonstrations or rallies at the site of the AGM, but outside the meeting, is one approach. It is also possible to gain admission to an AGM without owning shares. This can be done by borrowing a shareholder’s admission form or by being nominated by a shareholder who is not attending the meeting. Once inside, activists will have the chance to ask questions or engage in more disruptive activities.

Some organisations target AGMs vigorously. **PARTiZANS** (see address in **Chapter 11**), for example, which campaigns on the destructive social and ecological effects of the British mining conglomerate RTZ, has held seminars months ahead of RTZ’s AGM to familiarise people with the company’s practices, what issues need to be addressed at the AGM, what the message to the press will be, and to provide briefing materials. Before the meeting, a few PARTiZANS campaigners purchase and distribute shares of RTZ stock or otherwise arrange access to interested parties. PARTiZANS has used RTZ’s AGM to release what they said was a leaked company report criticizing an African subsidiary’s safety procedures and embarrass the corporation. In other years, PARTiZANS has invited people from Australia and the

Philippines negatively affected by RTZ’s subsidiaries to the firm’s AGM.²

Organizations Involved in “Social Responsibility” Issues

In the United States and Western Europe, a number of organisations have emerged which provide financial advice to investors who aim to purchase stock of companies deemed more “socially responsible.” This term can cover a firm’s consumer product and environmental practices, and has often been associated with targeting TNCs which have operations in certain countries with oppressive governments such as Burma or, formerly, South Africa. Frequently, organisations involved with corporate “social responsibility” work to inform investors of a company’s abuses in an effort to activate the investors’ economic leverage. For groups without the means to purchase a corporation’s shares or travel to an AGM, such organisations may be able to provide campaign assistance, and can also be very good information sources on TNCs. Some of these organisations are:

- **Ethic Scan** (PO Box 54034 Toronto, Canada MGA3B7 tel. 1416-783-6776 fax 1416-783-7386 Contact: David Nitkin) is a for-profit magazine which reports on Canadian corporations’ social responsiveness and “ethics.” It has a database on some 1500 Canadian companies.

- **Franklin Research and Development Institute** (711 Atlantic Avenue Boston, Massachusetts 02111 USA tel. 1617-423-6655 fax 1617-482-6179 Contact: Simon Billenness) manages some US\$400 million in assets, which it screens for corporate social responsibility. It has considerable information about financial issues of companies as well as some access to

corporate management (by virtue of its connections to large shareholders), and has done a lot of work recently on pressuring firms to withdraw from Burma for human rights reasons. The Institute has produced a booklet Thinking Globally: Franklin's Insight Study of International Corporate Responsibility, which emphasizes human rights as a key measure of corporate responsibility. It also has published two kinds of corporate profiles: 1. "equity briefs," which profile the social and financial performance of selected companies including Amoco, Apple Computer, BankAmerica, Enron, General Mills, Microsoft, Texas Industries, and Volvo (each brief costs US\$10); and 2. "big caps," which provide human rights and other social information on high-capitalisation TNCs such as Coca-Cola, DuPont, Ford, General Electric, W.R. Grace, IBM, Intel, PepsiCo, Texaco, and Xerox (US\$15 each). Lastly, Franklin also has produced reports for US\$35 each on industries including electric utilities, food, biotechnology, natural gas, and pesticides. While it usually charges full price for its materials, Franklin is willing to provide information for a cost that is negotiable with non-governmental or voluntary organisations, particularly those from less-industrialised countries, and to trade its information where possible.

Sister Ruth Rosenbaum of the **Research and Report Service for Ethical and Socially Responsible Investing** (an affiliate of F.L. Putnam Securities Company 10 Langley Place Suite 400 Newton Centre, Massachusetts 01259 USA tel. 1617-964-7600 fax 1617-332-6922) directs the social responsibility monitoring service which Franklin uses for investigating TNCs in and outside US for over 50 issues (or "screens"). This service also tracks the contract suppliers from whom TNCs purchase goods and overall has information and access to data on over 4500 TNCs including materials on finances, operations, and products as well as environmental, labour, and human rights violations. Sister Ruth Rosenbaum is

willing to provide information on a generous sliding scale to researchers from the less-industrialised world.

■ **The Interfaith Center on Corporate Responsibility (ICCR)** (475 Riverside Drive Room 566 New York, New York 10115 USA tel. 1212-870-2623 fax 1212-870-2023) represents a coalition of several hundred Protestant and Roman Catholic institutional investors including national churches, pension funds, and religious communities. ICCR members use their investments to try to hold corporations socially and environmentally accountable, and it has an Energy and Environment Program which coordinates environmental shareholder resolutions for investors and collaborates with investors for public pension funds and environmental organisations. Its issues include toxic emissions and waste disposal, energy economy and climate change, and workers' safety, and it has investigated hundreds of companies. ICCR publishes "The Corporate Examiner" ten times a year, a newsletter which examines the policies and practices of major US corporations in nuclear weapons, minorities, women, energy and the environment, alternative investments, and updates on shareholder resolutions.

■ **The Investor Responsibility Research Center (IRRC)** (1350 Connecticut Ave, NW Suite 700 Washington, DC 20036 USA tel. 1202-833-0700 fax 1202-833-3555) was set up by universities and foundations as a response to mounting pressures by shareholder activists to change proxy voting and investment decisions. The Center serves as an alternate source of information to major institutional investors, analysing and advising them on shareholder resolutions designed to enhance corporate social responsibility. In addition to reporting on resolutions, the IRRC publishes a monthly newsletter.

■ **New Consumer** (52 Elswick Road Newcastle upon Tyne NE 6JH UK tel. 44 191 2721148 fax 44 191 2721615) is working in

collaboration with the US-based Council on Economic Priorities to identify examples of "better practice" in TNCs' behavior. New Consumer also works on issues of corporate social responsibility and consumerism, and has published books including The Shareholder Action Handbook.

■ **Ottawa Public Interest Research Group (OPIRG) Carleton** (326 Unicentre 1125 Colonel-by-Drive Carleton University Ottawa Ontario K1S 5B6 Canada tel. 1613-788-2757 fax 1613-788-3989 Contact: Reid Cooper or Terry Cottam) helps coordinate a boycott of Pepsi (and its affiliates Pizza Hut, KFC, and associated products) because of the company's investment in Burma. (In India, contact the All Burma Students League 3 Krishna Menon Marg New Delhi tel. 91 11 3017172)

■ **Pensions and Investments Research Consultants Ltd (PIRC)** (40 Bowling Green Lane London UK EC1R 0NE tel. 44 171 833 4432) is an independent company established by a consortium of British pension funds to provide research, advice, and coordination between shareholders. It exchanges information with the Investor Responsibility Research Center.

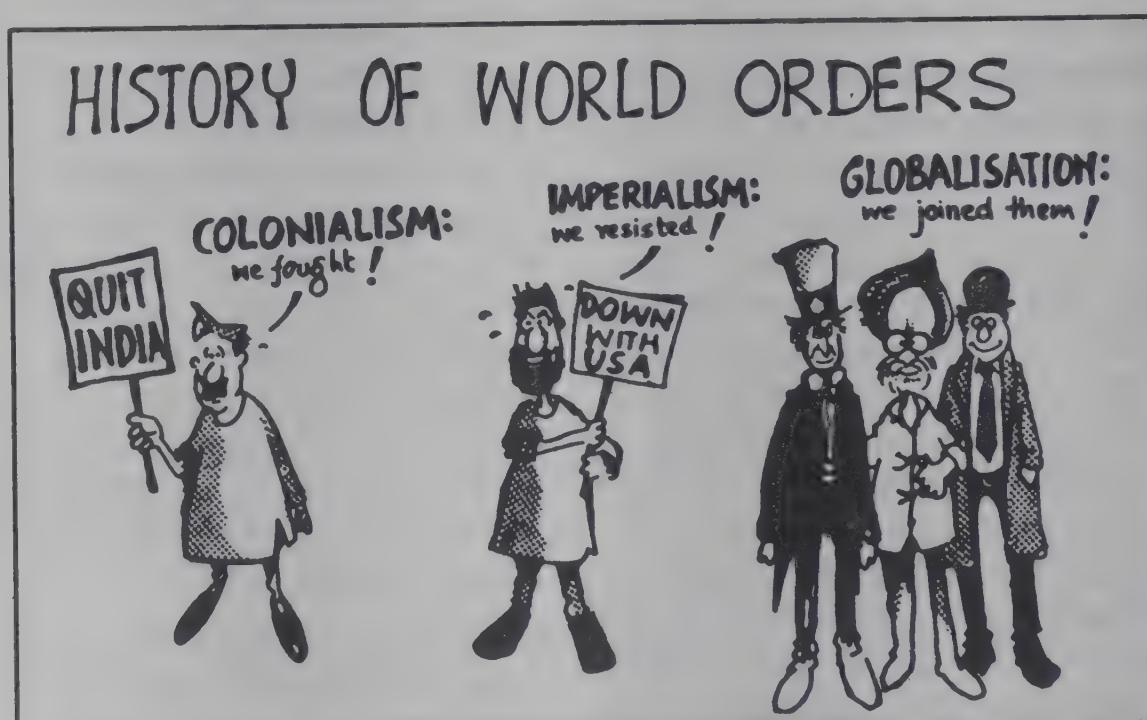
■ **The Taskforce on the Churches and Corporate Responsibility** (129 Street Clair

Avenue West Toronto, Ontario M4J 4Z2 Canada tel. 1416-923-1758 fax 1416-927-7554 Contact: James Sullivan) is similar to ICCR in that it helps church investors in Canada to promote corporate responsibility toward people and the environment. The Taskforce monitors the activities of TNCs particularly in forestry, fossil fuels, mining, and on human rights issues in Latin America, Asia and the Pacific, and Africa. It also follows global business trends and corporate environmental reporting.

Additionally, there are two organisations which also help coordinate individual socially responsible investors: the **Ethical Investment Research Service Ltd (EIRIS)** (504 Bondway Business Centre 71 Bondway London SW8 1SQ UK tel. 44 171 735 1351); and the **Social Investment Forum** (430 First Avenue North Suite 290 Minneapolis, Minnesota 55401 USA tel. 1612-333-8338). ■

Notes

1. Craig Mackenzie, The Shareholder Action Handbook: Using Shares to Make Companies More Accountable A New Consumer Guide, New Consumer, United Kingdom, 1993, p. 118.
2. Ibid, pp. 138-143.



Courtesy: Salam / B.P.O.

Governmental Resources on TNCs

In most countries, it can be difficult for people to get information on TNCs from government sources; in some countries, it may be virtually impossible.

Government Sources in India

In India, it becomes very difficult to get information about TNCs and foreign investments in the absence of citizens right to information. However, a few governmental agencies bring out regular information on the Joint Venture and Collaboration projects with foreign investments in India.

The activists can seek such information from the following governmental sources :

■ **The Indian Investment Centre (IIC -- A Government of India Organization)** (Jivan Vihar Building, Sansad Marg, New Delhi 110 001 tel. 91 11 3733673/3733679 fax 91 11 3732245 Contact K.K. Trivedi) is one source of information on joint ventures. The IIC, a service agency which promotes FDI in India, produces the Monthly Newsletter (publicly available for 300 rupees annual subscription in India, US\$40 overseas) which has an ongoing list of foreign collaboration proposals approved by the Government of India (GOI) and the Reserve Bank of India (RBI). (The latter provides approvals on a speedier basis for certain sectors with technology India is eager to attract.) The IIC issues additional publications including the Directory of Foreign Collaborations in India, a series of compilations of joint ventures between Indian firms and TNCs from the United Kingdom, US, Germany, Japan, and other countries.

■ A second source of joint venture information is the SIA Newsletter (published by the Secretariat for Industrial Approvals Department

of Industrial Development Ministry of Industry Udyog Bhawan New Delhi India tel. 91 11 3016538 fax 91 11 3011339/3011770 Contact: A.E. Ahmed). This source is not publicly available, however, and you'll have to use contacts in the government or research institutes who may have copies and be willing to share (or check documents on FDI in India from the United Nations, which relies on many of the government sources discussed here). In addition to data on foreign collaboration proposals approved by the Foreign Investment Promotion Board (but not those approved by the Reserve Bank of India), the SIA Newsletter also gives breakdowns on foreign direct investment and foreign technology approvals both by country and by industrial sector.

■ Another government source which is unavailable publicly but still accessible is Foreign Collaborations (A Compilation: National Register of Foreign Collaborations) (Department of Scientific and Industrial Research Ministry of Science and Technology Technology Bhawan New Mehrauli Road-16 New Delhi India tel. 91 11 3710472). This annual publication provides comprehensive historical data on foreign technical, financial, and investment collaborations in India. It also lists current foreign collaborations, and tries where possible to give the terms of collaboration (percentage of foreign equity, royalties, duration). Sectors covered include chemicals, electronics, transportation, textiles, and metallurgy, as well as research and development.

■ The Reserve Bank of India (Division of Publications, Department of Economic Analysis and Policy, Reserve Bank of India, Bombay- 400 023) also brings out periodic surveys on Foreign Controlled Rupees Companies. So far, five such Surveys have been published, the latest one in 1985.

■ One last government source on foreign collaborations in the fisheries sector -- and this is publicly available -- is the annual Chartered Fishing Vessel Operations in the Indian EEZ (Fishery Survey of India Ministry of Food Processing Industries Botawala Chambers Sir P.M. Road Bombay 400 001 India tel. 91 22 2617144/2617145).

Government Sources in US

The following section focuses on such sources in the United States not because the government there is always a paragon of openness, or because it will always have the information you want. However, the US government's disclosure and reporting requirements for publicly-traded corporations are among the most stringent in the world, and the potential for US and non-US citizens to obtain materials from the government in the US is greater than in many places. In some cases, citizens of another nation may be able to get information on a TNCs's operations in their country from US government sources that they could not acquire from their own government.

The United States Securities and Exchange Commission

The US **Securities and Exchange Commission (SEC)** (450 5th Street Public Reference Branch Room 1024 Washington, DC 20549 USA tel. 1202-942-8090 fax 1202-942-9628) was created in the 1930s as a federal corporate watchdog. Designed first and foremost to help protect investors, the SEC is an enforcement agency and a clearinghouse of financial and other information required of all corporations seeking to raise capital through the public

offering of their stock, or which are already publicly-held (unfortunately, the SEC doesn't have this data on privately-held firms).

All documents filed with the SEC are available at the Commission's Public Reference Branch Room in Washington, DC (other such facilities exist in New York City, Chicago, and Los Angeles); you or someone else can visit the SEC or you can request that materials be mailed (there are charges for copying and handling). Several computer database services have put SEC filings online and sell them, but before you pay contact the **Multinationals and Development Clearinghouse/Multinational Monitor**, which is planning to make this data available for free.

The following documents are a few of many the SEC has and are among the most useful for the corporate researcher.

- **"Form 10-K"** is the most comprehensive report filed annually by publicly-traded corporations with the SEC. It includes information about: types of business both of the parent firm and subsidiaries; competitive aspects of the field; descriptions of property owned including mines; any oil or gas production; corporate organisational structure; effects of compliance with environmental laws; major lawsuits pending, and when civil rights or ecological statutes are involved the proceedings must be disclosed; volume of foreign sales; recent decisions voted or announced at stockholders' meetings; and names and backgrounds of major executives. The 10-K lists patents, trademarks, franchises, and concessions held by the company, as well as the firm's sources of raw materials. It also itemizes any major changes during the past year in the company's financial standing are recorded, and sales, revenues, and dividends. Besides the SEC, many companies will also

supply the 10-K upon request.

- The “**prospectus**” is a detailed description of a corporation when it is about to put new securities up for sale, and contains information about the company’s operations and finances, its properties, other firms under its control, and how it intends to use the money gained through the stock sale. A prospectus is required only when securities are being offered to the public.
- The “**proxy statement**” is a detailed notice to a company’s shareholders of its upcoming annual general meeting (AGM), and includes an outline of matters to be voted on at the meeting. It also discloses the salaries of top officers making more than US\$40,000 per year.
- For information on non-US corporations with shares traded on US stock exchanges, “**form 20-F**” (or “**K**”) indicates: changes in stock ownership and control; changes in character of business; changes in property; modification of securities of the company; limitations affecting stock holders; amount set aside for pensions; options to purchase stock from company or subsidiaries; and financial statements and exhibits.

To learn more about these and other SEC records, contact the SEC for its Manual of General Record Information. If you want to know whether your corporate target has been the subject of an SEC investigation, begin with the Commission’s Securities Violations Bulletin, published quarterly.

The Freedom of Information Act and How to Use It

The US “Freedom of Information Act” (FOIA) passed in 1966 made the records of a large majority of federal government agencies, departments, commissions, and other branches presumptively available upon request, and ensured the public’s right to inspect an enormous storehouse of

documents. The branches covered by the FOIA include the Departments of Defense, State, Treasury, Interior, and Justice as well as many regulatory agencies such as Federal Trade Commission and the Consumer Product Safety Commission (see below for a list of some of these potentially useful US federal agencies). The Act does not apply to Congress, the federal courts, corporations, or federally funded state agencies. However, documents generated by these groups and filed with agencies of the federal government become subject to disclosure under the Act.¹

Under the FOIA, a person of **any** nationality, in or outside the United States, may seek access to all records of all federal agencies and other branches (though there are exceptions for nine categories of information: US national security; internal agency personnel rules; information exempted by other laws; trade secrets and confidential commercial information; internal agency memoranda and policy discussion; personal privacy; law enforcement investigations; federally regulated banks; oil and gas wells). The available documents can include a considerable amount of material on TNCs; through the FOIA activists learned that General Motors knowingly sold cars with one or more faulty components.

While the actual process of using the FOIA is not always easy and usually time-consuming (see below for details on this process), it can be very useful to non-US citizens because information about, say, consumer or environmental problems in their country which is confidential may be freely available in the US through the FOIA. For example, the United Kingdom-based **Campaign for Freedom of Information** (88

Old Street London EC1V 9AR tel. 44 171 2532445 fax 44 171 6083325 Contact: Maurice Frankel) reports that information on the safety of most British pesticides manufactured by transnational giants such as ICI is accessible only under the FOIA, and that the main source of information on most pesticides used in the UK is the United States. Similarly, UK citizens can learn of complaints about British cars sold in the US, or about reports on the conditions of British pharmaceutical plants which export to the US, only through the FOIA and not in the United Kingdom.²

Because obtaining information through the FOIA can be a little tricky and often takes a while, experienced users of the Act suggest trying to get information from US government sources first by informal means -- a fax, phone call, or letter. If that fails, you can then make a written Freedom of Information (FOI) request directly to the relevant agency, commission, or other branch -- this places the branch under a legal duty to respond. All federal agencies, commissions, and departments subject to the FOIA have a designated "Freedom of Information Officer" who is responsible for handling these inquiries, and to whose attention you make your request. Larger US government agencies have separate FOI officers for their various subdivisions and regional offices. If possible, copies of the request should be sent to the agency headquarters

as well as to divisions which may have records requested.

Your FOIA request should be as specific as you can make it, in part to expedite the process but also because, legally, agencies may charge "reasonable" fees for the "direct" costs of searching for and copying records requested under the FOIA (roughly, this can mean search fees of US\$4-6 per hour for clerical personnel, US\$10-18 for lawyers, and copying charges of about US\$.10 per page). HOWEVER, it is essential to note that the FOIA provides that an agency "shall" waive or reduce fees when it determines that providing the information requested would "primarily benefit the general public," and therefore be in the public interest. Some agencies have adopted regulations specifically allowing fee waivers for requests made by low-income groups and non-profit organisations, and on occasion journalists.

You should always pursue the fee waiver possibility as vigorously as possible.

**Under the FOIA,
a person of any
nationality, in or
outside the
United States,
may seek access
to all records of
all federal
agencies and
other branches.**

The FOIA guidelines indicate four factors for agencies to consider when deciding if disclosure would "primarily benefit the general public": 1) value to the public of the records themselves; 2) present public availability of the information requested; 3) identity of the requestor and his or her ability to get the information to the general public; and 4) personal interest of the requestor. This last factor in large measure refers to

commercial interests; if the agency thinks you will derive some financial benefit from the requested information, it will be much less likely to grant a fee waiver. Also, experience suggests that requestors seeking relatively modest numbers of documents are more likely to be granted fee waivers, but this is not a rule.³

Based on the recommendations of those familiar with the needs of the FOIA request process, the following components should be included in your letter:

- ❑ State who you represent and your request, as specifically as possible. Say that you are seeking the agency's records and that the information requested can include (but is not limited to) documents, charts, studies, reports, memoranda, correspondence, computer database information, video/audiotapes, etc.

- ❑ Say that if request is denied, you want a list of withheld data and the specific statutory exemptions as well as the names and positions of the people responsible for the withholding decision. Request any non-exempt portions.

- ❑ Request a fee waiver "pursuant to 5 U.S.C. Section 552 (a)(4) (A)(iii)" and say you're entitled because: disclosure of the information sought is not primarily in the commercial interest of the requestor; disclosure of the requested information is in the public interest (indicate briefly how and why); and disclosure of the requested information is likely to contribute significantly to public understanding of the operations of the government. Try to explain how you will increase public understanding with regard to the issue. Agencies like to know how you propose to use the information (and especially that you do not intend to use it for commercial purposes),

and to have some indication about how the public will benefit from the information, your qualifications for using the information, and how you plan to disseminate it to the public.

- ❑ Ask the agency to justify why a fee waiver (for both search/review and copying fees) may not be justified, if it so decides. If you have a ceiling on the amount of money you're willing to spend, state it. Say you reserve the right to challenge appropriately any assessment of fees in connection with the request.

- ❑ Say that you look forward to receiving the agency's response no later than ten (10) days from the date of request; while it may vary agency from agency, this is commonly the statutory limit for initial requests. Note that you reserve the right to appeal any decision to withhold information requested, and that you wish to know to whom and where such an appeal letter, if necessary, should be sent.

- ❑ Give the agency your address and telephone and fax numbers.

- ❑ Mark the envelope to the agency "Attention: Freedom of Information Act/Privacy Act Unit."

Any FOIA request which an agency wholly or partially denies can be appealed to the head of the agency. Only by making a written appeal, which should be filed within 30 days after the denial, is a legal duty imposed on the agency to re-evaluate the original request (and only by a written appeal can a FOI lawsuit be brought, if such a step becomes necessary). An FOI appeal can be filed with a simple letter, but you'll usually need to make repeated appeals. As you pursue the FOIA request process, maintain continual pressure agency without seeming adversarial. The process can take months, sometimes years, so a lot of patience and

persistence are required.

(For information about freedom of information in India, contact the **Consumer Education Research Centre** 'Suraksha Sankool' Thaltej Ahmedabad-Gandhinagar Highway Ahmedabad 380 054 Gujarat tel. 91 272 489945 fax 91 272 489947.)

United States Government Agencies

To which government department or branch should you direct your information request -- either through FOIA or not? The following lists a few key US federal agencies.

■ **The Consumer Product Safety Commission (CPSC)** (4330 East-West Highway Bethesda, Maryland 20814 tel. 1301-504-0800 fax 1301-443-3170) conducts research into product safety (with exception of tobacco, motor vehicles, aircraft, drugs, cosmetics, and food) and publishes reports about its investigations. It has an Injury Information Clearinghouse.

■ **The Department of Labor** (200 Constitution Avenue, NW Washington, DC 20210 USA tel. 1202-219-6091 fax 1202-219-6064; its Department of Information is at tel. 1202-219-8151 fax 1202-219-6064) monitors labour matters ranging from working conditions to collective bargaining agreements. The Labor Department's **Occupational Safety and Health Administration (OSHA)** (OSHA Review Commission 1825 K Street, NW, Room 414 Washington, DC 20006 tel. 1202-634-7943) maintains records of all citations given to corporations by the state and regional OSHA offices throughout the United States. For a complete listing of state and regional OSHA addresses, contact the Department of Information. Information requests to OSHA must go through the FOIA. The Labor Department's **Mine Safety and Health Administration** (4015 Wilson Blvd. Room 601

Ballston Tower #3 Arlington, Virginia 22203 tel. 1703-235-1452) regulates worker safety and health issues of mining corporations.

■ **The Environmental Protection Agency (EPA)** (401 M Street, SW Washington, DC 20460 USA tel. 1202-260-2090; for general information requests, contact the "Locator"; for FOIA requests, contact the FOI office at above address, Room A-101) is charged with monitoring and enforcing environmental laws. Among other corporate sectors, it regulates pesticides and other chemical manufacturers. The EPA's Toxic Release Inventory (TRI) (contact tel. 1202-260-1531 fax 1202-260-4659/4655) contains information on specific companies' toxic releases and transfers. A ranking of the top 100 polluting corporations (in terms of toxics releases) is also available. However, researchers should be aware that a 1987 study by the US Congress Office of Technology Assessment concluded that the total quantity of toxic substances reported to TRI may represent only five per cent of total releases and that, according to EPA's own estimates, only two out of three facilities required to do so release reports.

(For toxicological profiles of a host of chemical compounds and heavy metals, you should contact the **National Technical Information Service** (5285 Port Royal Road Springfield, Virginia 22161 USA tel. 1703-487-4650 fax 1703-321-8547) or the **Agency for Toxic Substance and Disease Registry Department of Toxicology** (1600 Clifton Road, NE Mail Stop E-29 Atlanta Georgia 30333 USA fax only 1404-639-6315). Both sources are generous with their materials.)

■ **The Federal Trade Commission (FTC)** (Sixth Street and Pennsylvania Avenue, NW, Washington, DC 20580 USA tel. 1202-326-2222 fax 1202-326-2050) was created to protect the public from anti-competitive behavior and unfair or deceptive business practices, and has broad authority over domestic business. It

gathers detailed financial information from the companies it investigates. The FTC's Bureau of Consumer Protection also conducts investigations of advertising claims and can take actions to prevent false advertising practices. Documents from FTC can be requested by writing to its office; some requests will need to go through the FOIA.

■ **The Food and Drug Administration** (5600 Fishers Lane Room 12A16 Rockville, Maryland 20857 USA tel. 1301-443-3170/6310) is the agency which monitors and regulates pharmaceutical, cosmetic, and food corporations.

■ **The General Accounting Office (GAO)** (441 G Street, NW Washington, DC 20548 USA tel. 1202-512-3000 fax 1202-512-7726 at its Department of Public Affairs) is the research arm of the US Congress and has conducted studies of economic concentration, directorship interlocks, corporate ownership, etc., for a variety of Congressional committees. Contact the Department of Public Affairs for more information on GAO reports.

■ **The International Trade Administration (ITA)** of the US Department of Commerce

(14th Street and Constitution Avenue, NW Room 7424 Washington, DC 20230 USA) assists US firms with their exports and provides profiles of non-US companies. Profiles can be obtained by written request to any district office of the ITA; office addresses are available by writing to the Department of Commerce.

■ **The National Highway Traffic Safety Administration** (300 7th Street, SW Washington, DC 20590 USA tel. 1202-366-0123 fax at its Department of Public Affairs 1202-366-5962) regulates highway traffic safety and monitors motor vehicle companies. ■

Notes

1. For more information, see Elaine English, "Business Paranoia Threatens FOIA," and "Resource: How to Use the Federal FOIA," both in Multinational Monitor, August 1986.
2. Maurice Frankel, "What the American FOI Act Reveals About Britain," Secrets -- Newspaper of the Campaign for Freedom of Information, 22 July 1991.
3. "Resource: How to Use the Federal FOIA," op cit.



Courtesy: Salam / B.P.O.

Sectoral Resources on TNCs

When working on one or several TNCs in a given industry, it can often be extremely helpful have an understanding of the sector: its overall structure and ecological as well as human health and other social impacts. This chapter will list a variety of places the activist can turn for such information, arranged by industry but which will often have material on particular companies. A selection of industry trade publications is also provided.

First, however, there are several places which are good general sources not for TNCs specifically but for sectoral information, both inside and outside India.

In India

■ **Centre for Monitoring India's Economy Pvt Ltd** (110-120 Kaliandas Udyog Bhavan Near Century Bhavan Prabhadevi Bombay 400 025 tel. 91 22 4300531) surveys industrial sectors of India's economy. CMIE regularly brings out its publications on industrial sectors. These publications are priced.

■ **The Centre for Science and Environment (CSE)** (41 Tughlakabad Area New Delhi 110 062 India tel. 91 11 6981110/6981124 fax 91 11 6985879) has a comprehensive, well-organised library with detailed Indian and non-Indian materials on industries (and their impacts) such as: fossil fuel (particularly oil) and nuclear power; chemicals with emphasis on the pesticides and pharmaceutical sub-sectors; forestry (especially in the tropics) and fisheries; transport including motor vehicles; waste disposal including incineration; mining; and food production. CSE's library also carries a host of World Bank and United Nations (FAO, UNCTAD, UNEP, WHO) documents,

unpublished reports, back issues of many journals and magazines. According to the head librarian, CSE's library is open to the general public.

■ **The Friedrich Ebert Stiftung (FES)** (D-9 South Extension Part II New Delhi 110 049 India tel. 91 11 6428715/6451770 fax 91 11 6428717), a private non-profit educational institution supported by its Bonn, Germany-based parent, has a library with materials on a number of industrial sectors organised around its trade union and political/socioeconomic projects. There are some books or journals on energy, forestry, mining, and pesticides, as well as other information on labour, multilateral development banks, urban and rural development, women, occupational safety and health, child labour, and consumer issues. A number of FES's own documents examine the impact of liberalisation and globalisation on Indian workers and trade unions, with data from surveys of many corporations. By the end of 1995, FES expects to have produced a report on the pharmaceutical sector in India. The library is public, but you should call ahead for an appointment.

■ **The Society for Participatory Research in Asia (PRIA)** (42 Tughlakabad Institutional Area New Delhi 110 062 tel. 91 11 6981908/6989559 fax 91 11 6980183), also has a comprehensive, well-organised library with particularly good materials on occupational safety and health in the pesticides, pharmaceuticals, nuclear, coal, textiles, and electronics sectors. These materials come from Indian government sources, non-governmental organisations and governments outside India, and the United Nations. The library is open to the public.

Besides organisations, there are many individual economists and researchers who have

carried out sectoral research on TNCs in India. **Dr. Subhendu Dasgupta** (29/1, Purna Mitra Place, Calcutta-700 033) has written many research papers on TNCs in general. The paper includes Translational Corporations in Electric Power Sector, 1947-1967 (1981); and Siemens in India. **Sujata Gothoskar** (Workers Solidarity Centre, 1347, 17-B, MHB Colony, Tata Power House Road, Borivilli (East), Bombay-400 066) has carried out studies on the impact of TNCs on labour. On TNCs in general, many other individuals are involved. These include: **Dr. Dalip Swamy** (226, Vaishali, Pitampura, Delhi.); **Balraj Mehta** (D-4, Gulmohar Park, New Delhi); **Arun Ghosh** (78, Munirka Enclave, New Delhi); **Dr. Vinod Vyasalu** (451, 38 'A' Cross, 9th Main, 5th Block, Jayanagar, Bangalore-560 041); and **Dr. Bernard D. Mellow** (Management Development Institute, Gurgaon, Haryana).

Outside India

■ **The Worldwatch Institute** (1776 Massachusetts Ave., NW Washington, DC 20036 USA tel. 1202-452-1999 fax 1202-296-7365) is a research institute on global environmental and some social issues and trends. It offers substantive information on many industrial sectors in which TNCs play an integral role and publishes a bi-monthly magazine, an annual book, State of the World, and numerous reports (US\$5 each) on issues including: mining; fisheries; biodiversity; the military; population; energy including fossil fuels, nuclear power and alternative power sources; toxic pollution; and motor vehicles.

Resources By Industrial Sector

Mining

■ **The International Water Tribunal** (Damrak 83 1012 LN Amsterdam The Netherlands tel. 31 20 240610 fax 31 20 228384) provides individuals and organisations

with the opportunity to present cases of water management projects, mainly in Africa, Asia, and South America, to an independent jury, which will decide if they are in conflict with generally accepted ethical principles. The Tribunal has case studies on effects on dumping of mining wastes in places such as Peru, Nigeria, Papua New Guinea, and the Philippines.

■ **The Mineral Policy Center** (1612 K Street, NW Suite 808 Washington, DC 20006 USA tel. 1202-887-1872 fax 1202-887-1875 Contact: Phil Hocker) investigates environmental violations of hard rock mining companies and supports environmental groups in an effort to lessen the impact of mining activities on their communities (for example, with the gold mining process of cyanide heap leaching). The Center publishes a newsletter, "Clementine: The Journal of Responsible Mining," three times a year.

■ **PARTiZANS (People Against RTZ and Its Subsidiaries)** (Clubland Methodist Church, 54, Camberwell Road, London SE OEN, UK tel. 44 171 609 1852 fax 44 171 7006189 Contact: Roger Moody) has for over a decade been monitoring the UK-based mining conglomerate RTZ Group and publicising its ill-effects on people and the environment, notably in the book Plunder! (1991). PARTiZANS has been associated with **Minewatch**, an international network of people concerned about the impact of mining primarily on the environment and indigenous peoples. It has extensive records on TNCs which mine a variety of substances, and has published The Gulliver File -- Mines, People, and Land: A Global Battleground (1992), a reference book on scores of mining companies (including corporate interlinkages) and their social and ecological impacts.

■ **The Mining and Environment Research Network** (Science Policy Research Unit, University of Sussex, Mantell Building, Falmer, Brighton, BN1 9RF UK tel. 44 127 3686758 fax 44 127 3685865 Contact: Dr. Alyson

Warhurst) investigates the problems of environmental pollution in mineral producing countries and analyses corporate strategies, national policy-making, and community responses. It maintains a database on gold and non-ferrous mines and companies.

■ **The Raw Materials Group** (PO Box 90103 S-120 21 Stockholm Sweden tel. 46 86 427577 fax 46 86 401187) publishes a magazine, Raw Materials Report, which provides in-depth coverage of minerals (as well as of seeds and food commodities, fisheries, oil, forestry and timber). Articles in Raw Materials Report often devote attention to the political and economic context, including TNCs, in their discussion of resource issues.

■ **The United Nations Environment Programme Industry and Environment and Activity Centre** (39-43 Quai Andre Citroen 75739 Paris CEDEX 15 France 33 140 588850 fax 33 140 588874) has published a compendium, Environmental Aspects of Selected Non-Ferrous Metals: A Technical Guide (it has also produced such guides on the metal finishing and tanneries sectors).

Industrialised Fishing

■ **The Food and Agriculture Organization of the United Nations (FAO) Fisheries Department** (Publications Division Viale Delle Terme Di Caracalla, 00100 Rome tel. 39 652256 414/756 fax 39 652256 500/445) researches and publishes extensively on global fisheries issues and statistics, including The State of World Fisheries and Aquaculture (1995).

■ **Greenpeace International's Fisheries Campaign** (Keizersgracht 176 1016 DW Amsterdam The Netherlands tel. 31 20 5236222 fax 31 20 5236200) challenges the destructive effects of industrialised fishing including aquaculture, and has worked with small-scale fishers against large fishing corporations. It has conducted some research into corporate activities, in New Zealand fisheries and also in

the United States with a report, "The Big Business Takeover of US Fisheries: Privatization of the Oceans Through Individual Transferrable Quotas" (1995) (available from Greenpeace International or Greenpeace US).

■ **The International Center for Living Aquatic Resources Management (ICLARM)** (Management Information Division MCPO Box 2631 0718 Makati, Metro Manila The Philippines tel. 632 818 0466/9283 fax 632 816 3183) is a non-governmental organisation which researches fisheries resources and fish biodiversity as well as the socioeconomic, legal, and institutional aspects of small-scale fisheries. It investigates fisheries management strategies in Africa and Asia and the Pacific. ICLARM also coordinates the Asian Fisheries Social Science Research Network as well as the International Network on Genetics in Aquaculture.

■ **The International Collective in Support of Fishworkers** (27 College Road Madras 600-006 India tel. 91 44 8275303 fax 91 44 8254457 Contact: Sebastian Matthew) is an umbrella organisation which represents fishworker groups from over 30 nations. It provides technical assistance to fishworkers, mainly in less-industrialised countries, and publishes a magazine Samudra several times a year (it is free).

■ **John Kurien** (Center for Development Studies Ullor Trivandrum 695 011 India tel. 91 47 1448881 fax 91 47 1447137) is a scholar/activist who has done detailed research on the impacts of industrialised commercial fishing in India.

Logging

■ **Forests Monitor Ltd.** (148 Rogate House Muir Road London E5 8QX UK tel./fax 44 181 5331290 Contact: Paula Vandergert) researches, analyses, and exposes corporate logging activities and the links between investment and deforestation. It is collecting a corporate

database as a resource tool for information collation and dissemination to groups around the world, and provides research and analysis of corporations to non-governmental and voluntary organisations as well as citizens' groups directly affected by these companies' activities. Its current focus is on South East Asian forestry corporations.

■ **Greenpeace Italy** (Viale Manlio Gelsomini 28 00153 Rome Italy tel. 39 6 5782484/5750053 fax 39 6 5783531 Contact: Francesco Martone) has conducted research and compiled information on TNCs logging in the South Pacific and Russia.

■ **Japan Tropical Forest Action Network/Friends of the Earth Japan (JATAN)** (6-5 (1F) Uguisudani-cho Shibuya-ku Tokyo 150 Japan tel. 81 33 7706308 fax 81 33 7700727) conducts research and campaigns on protecting tropical forests. It has published several reports which examine Japanese trading companies and Japan's imports of tropical timber.

■ **Rainforest Action Network (RAN)** (450 Samson Street Suite 700 San Francisco, California 94111 USA tel. 1415-398-4404 fax 1415-398-2732) publishes "World Rainforest Report" and has a large amount of information on the harmful forestry practices of the Japanese TNC Mitsubishi, against which RAN has conducted a well-publicized boycott campaign. RAN has also campaigned against Georgia-Pacific and Weyerhaeuser for their logging activities.

■ **The Taiga Rescue Network Coordination Center** (Box 116 S-962 23 Jokkmokk, Sweden tel. 46 97 117039 fax 46 97 112057) has collected information about TNCs' logging in boreal forests:

■ **World Rainforest Movement (WRM)** (International Secretariat at Third World Network 228 Macalister Road 10400 tel. 604 2293511/2293713 fax 604 364505 Northern Contact; Marcus Colchester, World Rainforest

Movement 8 Chapel Row Chadlington, Oxfordshire OX7 3NA UK tel. 44 160 8676691 fax 44 160 8676743) is an international network of citizens' groups and individuals involved in efforts to defend the world's rainforests against the forces which destroy these forests, including TNCs. It also supports forest peoples who are trying to defend the forests from commercial logging, mining, plantations and other projects that threaten them. WRM's work includes researching and documenting the causes of deforestation, monitoring commercial forest projects, campaigning to support people involved in defending the forests, producing publications on forest issues, and organising meetings relating to the defense of forests for groups and individuals. WRM tries when possible to help link up organisations from less-industrialised countries with Northern groups.

Chemicals Industries (Including Pesticides, Pharmaceuticals, and Waste Disposal)

■ **Citizen's Clearinghouse for Hazardous Wastes (CCHW)** (PO Box 6806 Falls Church, Virginia 22040 USA tel. 1703-237-2249) helps communities fight environmental pollution, especially from incineration corporations, and also helps network people fighting these companies. CCHW's corporate information covers: Browning-Ferris Industries; Waste Management, Inc.; Ogden Martin Corporation; GSX/Laidlaw; Union Pacific/US PCI Corporation; Waste Tech/Amoco Corp.; and Westinghouse. Additionally, CCHW has files on numerous other chemical and "waste service" companies.

■ **The Environmental Research Foundation (ERF)** (105 Eastern Avenue Suite 101 PO Box 5036 Annapolis, Maryland 21403-7036 USA tel. 1410-263-1584 fax 1410-263-8944 Contact: Peter Montague) provides technical assistance to grass roots

environmental groups working to strengthen democracy at the local level. ERF has done a great deal of work on waste disposal including landfills, incineration, and also on chlorine pollution and theoretical issues such as risk assessment for toxic materials. It publishes "Rachel's Hazardous Waste News," an excellent weekly bulletin (US \$25 a year for individuals and citizens' groups) and also sells for US\$5 "A Citizen's Toxic Waste Audit Manual," which explains how to audit chemicals used and produced in factories.

■ **Greenpeace US's Toxics Campaign** (1436 U Street NW Washington, DC 20009 USA tel. 1202-462-1177 fax 1202-462-4507) has struggled for a decade against incineration companies, and has compiled a number of reports on the hazards of incineration, particularly in regard to contamination of chlorine by-products such as dioxin, as well as on specific companies throughout the chemical industry. The group has published a report on Waste Management, Inc entitled Waste Management, Inc.: An Encyclopedia of Environmental Crimes and Other Misdeeds (285 pages). Additionally, Greenpeace offices around the world have researched and produced numerous reports about chemical sub-sectors such as primary chlorine production, plastics, pulp and paper manufacture, pesticides, dry cleaning, and lead additive in gasoline (Contact Greenpeace US or **Greenpeace International**). The organisation also has considerable information on the effects of oil contamination, available again either from Greenpeace US or **Greenpeace United Kingdom** (Canonbury Villas London N1 2PN UK tel. 44 171 3545100 fax 44 171 6960012).

■ **Pesticide Action Network (PAN)** is an international coalition of citizens' groups and individuals who oppose the misuse of pesticides and support reliance on safe, sustainable methods. PAN's **North America Regional Center** (116 New Montgomery Street #810 San Francisco, California 94195 USA tel. 1415-541-

9140 fax 1415-541-9253) publishes Global Pesticide Campaigner which covers international issues around pesticides -- particularly in less-industrialised countries -- including accidents, regulations, practices and background on the major pesticide TNCs, environmental and human health effects, and worker safety. In 1989, the group published The FAO Code: Missing Ingredients Prior Informed Consent in the International Code of Conduct on the Distribution and Use of Pesticides, which offers a critique of the idea of "safe use" of pesticides, and including chemical TNCs' promotion of pesticides throughout the less-industrialised world which violated the FAO Code of Conduct on the Use and Distribution of Pesticides. Other regional centers are:

PAN Europe c/o The Pesticides Trust (Eurolink Business Centre 49 Effra Road London SW2 1BZ UK tel. 44 171 2748895 fax 44 171 2749084 Contact: Barbara Dinham). In 1995, The Pesticides Trust produced a report, "The Pesticide Trail: The impact of trade controls on reducing pesticide hazards in developing countries," which examines the global pesticide market and the major agrochemical TNCs' operations in the less-industrialised world; and **PAN Asia and the Pacific** (PO Box 1170 10850 Penang, Malaysia tel. 604 6570271 fax 604 6577445). In 1994, PAN Asia and the Pacific published a booklet Citizens -- Hoechst -- Pesticides: The Story of Endosulfan and Triphenyltin, about the German TNC's pesticide practices in the Philippines.

■ **The Voluntary Health Association of India (VHAI)** (Tong Swasthya Bhawan 40 Institutional Area Near Qutab Hotel New Delhi 110 016 India tel. 91 11 668071/665018 fax 91 11 6853708 Contact: Mira Shiva)) is federation of Voluntary Health Associations formed at the level of States and Union Territories and linking over 3000 health and development organisations in India. Its work includes considerable focus on pesticides, pharmaceuticals, and infant formula, and has

reports and other materials on these subjects.

■ **WEMOS/Pharma Project** (WEMOS PO Box 1693 1000 BR Amsterdam The Netherlands tel. 31 20 4202222 fax 31 206 205094 Contact: Bas van der Heide) monitors the pharmaceutical industry and has published a report, "Exposed: Deadly Exports The Story of European Community Exports of Banned or Withdrawn Drugs to the Third World" (1991). With other organisations, WEMOS is campaigning for legislation restricting the trade in inappropriate or hazardous products.

■ **Work on Waste** (83 Judson Street Canton, New York 13617 USA tel. 1315-379-9200 fax 1315-379-0448 Contacts: Ellen and Paul Connett) investigates the waste industry, offering an expertise in incineration of municipal, medical, hazardous, and military waste. It also helps to network grass roots activists through a weekly newsletter "Waste Not" and site visits.

Chemical manufacturer directories: Directory of Chemical Producers -- USA, annual, arranged by region (as of 1993-94 there is a directory for East Asia) (Menlo Park, California: SRI International); Directory of World Chemical Producers, triennial (Dallas: Chemical Information Services Ltd.); Farm Chemicals Handbook (perhaps the largest collection of global pesticide and fertiliser producers), annual (Willoughby, Ohio: Meister Publishing Company); and KYM Directory of Pharmaceutical Companies and Ownership, published twice a year (Stoke-on-Trent, Staffordshire, UK: KYM Publishing).

Biotechnology

■ **The Council for Responsible Genetics (CRG)** (5 Upland Road Suite 3 Cambridge, Massachusetts 02140 USA tel. 1617-868-0870 fax 1617-491-5344) is a coalition organisation which among other aims seeks to promote public discussion about new genetic technologies and to alert the public to social and environmental problems arising from these

technologies. CRG publishes the newsletter "GeneWATCH" (US\$15 for 6 issues).

■ **The European Patent Office** (Erhardstrasse 27 D-8000 Munich 2 Germany Contact: Ms. Emmer) published a 1994 study, Utilisation of Patent Protection in Europe, which gives interesting analysis of research and development structures and strategies of companies involved in biotechnology in Europe, the US, and Japan.

■ **The Food and Agricultural Organisation** (Publications Division Vialle Delle Terme Di Caracalla 00100 Rome Italy tel. 39 652256 414/756 fax 39 652256 500/445) publishes Seed Review, the latest edition of which is for 1989-1990. It is a comprehensive survey of agricultural crop seed production, processing, control, marketing, promotion, and research, with data from 90 countries in the South and North.

■ **The Foundation on Economic Trends (FET)** (1660 L Street, NW Suite 216 Washington, DC 20036 USA tel. 1202-466-2823 fax 1202-429-9602 Contact: Jeremy Rifkin) focuses on the environmental, economic, and ethical concerns raised by the development and commercialisation of new technologies, including biotechnology. FET has done a great deal of work on bovine growth hormone (BGH) through its project **Pure Food Campaign** (860 Highway 61 Little Marais, Minnesota 55614 USA tel./fax 1218-226-4164). FET also works on the human and military applications of biotechnology.

■ **GRAIN (Genetic Resources Action International)** (Girona 25, pral. E-08010 Barcelona Spain tel. 34 33 011381 fax 34 33 011627) monitors developments in biotechnology and the seeds industry, especially with respect to impacts on farmers in the less-industrialized world, and promotes grassroots approaches to genetic resources management. GRAIN publishes the newsletter "Seedling" regularly, which is free for groups and

individuals in the South.

■ **Greenpeace Switzerland** (Muellerstrasse 37 Postfach 276 8026 Zurich Switzerland tel. 41 1 2413441 fax 41 1 2413821 Contacts: Isabelle Meister/Stefan Weber. Also **Greenpeace UK** (see address above) Contact: Sue Mayer) campaigns against the patenting of life and has researched genetic engineering field trials by TNCs in less-industrialised countries. In 1994, Greenpeace published a report, "Genetically Engineered Plants: Releases and Impacts on Less Developed Countries A Greenpeace Inventory," which examines such field trials in the less-industrialized world and the dominance of a small number of chemical TNCs in biotechnology research and development.

■ **The Research Foundation for Science, Technology, and Natural Resource Policy** (A-60 2nd floor Hauz Khas New Delhi 110 016 India tel. 91 11 664717 fax 91 11 6856795) investigates TNCs in biotechnology for agricultural and pharmaceutical purposes. Its Director Vandana Shiva is the author of Biotechnology and the Environment and Monocultures of the Mind: Biodiversity, Biotechnology, and the Third World (both Penang: Third World Network). The Foundation has also produced reports on Cargill and W.R. Grace.

■ **The Rural Advancement Foundation International (RAFI)** (Suite 504, 71 Bank Street Ottawa, K1P5N2, Canada, tel. 1613-567-6880), publishes the "RAFI Communique," which are brief reports on issues relating to genetic resources and biotechnology, with an emphasis on the socio-economic impacts of biotechnology on agriculture in less-industrialised countries (US\$35 annually outside North America). RAFI has done work on Calgene, Procter & Gamble, and W.R. Grace, and has publications available including: "Shattering: Food, Politics and the Loss of Genetic Diversity," (1990) which describes the struggle for control of seeds as nations and

corporations vie for access to the world's plant genetic resources (US\$20 outside North America); and "The Laws of Life: Another Development and the New Biotechnologies," (1988) which provides a comprehensive analysis of the social and economic impacts of new biotechnologies on agriculture and health in the less-industrialised world (to obtain a copy outside North America, write the Dag Hammarskjold Foundation Ovre Slottsgatan 2 S-752-20 Uppsala, Sweden).

■ **The Union of Concerned Scientists (UCC)** (26 Church Street Cambridge, Massachusetts 02238 USA tel. 1617-547-5552 or 1616 P Street, NW Suite 310 Washington, DC 20036 USA tel. 1202-332-0900 fax 1202-332-0905 DC Contact: Jane Rissler) has a Program on Agriculture and Biotechnology which evaluates the environmental and social risks from plant biotechnology's increasing commercialisation. UCC published a report, "Perils Amidst the Promise Ecological Risks of Transgenic Crops in a Global Market" in 1993.

Directories: Biotechnology Directory, an annual guide to products, companies, research, and organisations (New York: Stockton Press); Genetic Engineering and Biotechnology Firms Worldwide Directory, annual (Princeton Junction, New Jersey: Mega-Type Publishers); and International Biotechnology Industrial Directory, annual (Maplewood, New Jersey: CTB International Publishing).

Fossil Fuel and Related Industries: Oil and Gas, Coal, Motor Vehicles

■ **Greenpeace United Kingdom** (Canonbury Villas London N1 2PN UK tel. 44 171 3545100 fax 44 171 6960012 Contact: Paul Horsman) has compiled a great deal of information -- business, activities outside their home countries, involvement in corporate front groups, future plans, etc. -- on the big seven oil TNCs (Amoco,

British Petroleum, Chevron, Exxon, Mobil, Royal Dutch/Shell, Texaco). In 1994, the group published "Shell Shocked: The Environmental and Social Costs of Living Next Door to Shell," a report which focuses on the record of Shell in the Niger Delta and the damages caused by the largest oil exploration and production venture in Nigeria; and "Black Ice: The behaviour of multinational oil companies in Russia," a look at the complicity of TNCs in the Russian Arctic's chronic oil pollution. Greenpeace also has considerable information on the ecological and social hazards of fossil fuels generally. In addition to a number of documents on oil pollution, **Greenpeace US** has published a report on the environmental problems of natural gas exploration, transport, development, and production. **Greenpeace International** has examined the economic and financial difficulties associated with the fossil fuel industry and global warming.

For an overview, also see the United Nations publication, Climate Change and Transnational Corporations (UN Centre on Transnational Corporations, 1992), which has useful analysis of TNCs' impacts on the atmosphere through fossil fuel production, motor vehicles, electricity generation, production of energy-intensive metals (e.g., aluminum), chlorofluorocarbon (CFC) manufacture, and inorganic nitrogen fertiliser production.

Directories: Oil and Gas Journal Databook, International Petroleum Encyclopedia, and Worldwide Petrochemical Directory, all annuals (all published by Tulsa, Oklahoma: Pennwell Publishing Company); Financial Times Oil and Gas International Year Book, annual (Chicago: St. James Press); Oil and Gas Directory, annual (Houston: The Oil and Gas Directory); Oil and Gas Information, annual (Paris: International Energy Agency/OECD). For coal: Coal Data and Facts About Coal, annuals (Washington, DC: National Coal Association); and Coal Information, an annual statistical compilation (Paris: OECD).

For motor vehicles

■ **The European Federation for Transport and the Environment** (Rue de la Victoire 26 1060 Brussels Belgium tel. 32 25 376639 fax 32 25 377394 Contact: Gijs Kuneman) is a European umbrella for organisations working in the field of transport and the environment and which promotes an environmentally responsible approach to transportation. It has published studies including "Getting the Prices Right--A European Scheme for Making Transport Pay its True Costs" (1993).

■ **Greenpeace Austria** Greenpeace Austria (Auenbruggergasse 2 A-1030 Vienna, Austria tel. 43 1 7130031 fax 43 1 7130030 Contact: Michael Johann) has published a report "Car Free Cities" (1993) which promotes making city centers free of cars and the establishment of fast, safe, and efficient public transport. For the ecological effects of motor vehicle manufacture, use, and disposal, see The Environmental Impact of the Car (1992), available from Greenpeace UK or Greenpeace US).

■ **The International Institute for Energy Conservation, Inc** (750 1st Street, NE Suite 940 Washington, DC 20002 USA tel. 1202-842-3388 fax 1202-842-1565, or in Europe 1-2 Purley Place London N1 1QA UK tel. 44 171 7046737 fax 44 171 7048757 Contact: Helen Moss) assists less-industrialized countries to plan programs for energy efficiency and integrated transport management. The Institute's special projects include a transportation assessment for Asia, and the US office has produced a report, "Assessment of Transportation Growth in Asia and Its Effects on Energy Use, the Environment, and Traffic Congestion: Case Study of Varanasi, India" (1992). The European office promotes energy efficiency and sustainable transport mainly in Central and Eastern Europe and the former Soviet Union.

Directories: World Motor Vehicle

Data, annual (Detroit: American Automobile Manufacturers Association); Ward's Automotive Yearbook, an annual review of industry trends and statistics (Detroit: Ward's Communication).

Nuclear Power

■ **The Nuclear Information and Resource Service (NIRS)** (1424 16th Street, NW Suite 601 Washington, DC 20036 USA tel. 1202-328-0002 fax 1202-462-2183 Contact: Paul Gunter) has information on a variety of TNCs which are: nuclear reactor vendors including General Electric, Westinghouse, Combustion Engineering, Babcock & Wilcox, and General Atomics; constructors such as Bechtel and Stone and Webster; uranium mining corporations like Kerr-McGee; and nuclear waste handling companies such as US Ecology. NIRS publishes "Nuclear Monitor."

■ **World Information Service on Energy (WISE)** (PO Box 18185 1001 ZB Amsterdam The Netherlands tel. 31 20 6392681 fax 31 20 6391379) publishes "WISE News Communique" which includes reprints of stories relating to nuclear power from other sources. WISE has branches in countries including the Czech Republic, Finland, Spain, Argentina, and Sweden.

Directories: Commercial Nuclear Power (Washington, DC: US Energy Information Administration); and International Directory of Nuclear Utilities (New York: McGraw Hill).

Electronics and Computer Manufacture

■ **The Coalition for Justice in the Maquiladoras** (3120 West Ashby San Antonio, Texas 78228 USA tel. 1210-732-8957 fax 1210-732-8324) monitors the maquila industries -- i.e., US companies which have set up shop in Mexico in search of cheap labour and lax environmental standards -- including "high

tech" (electronics, semiconductors, telecommunications, etc.), motor vehicle manufacture, chemicals, and other sectors. It is a tri-national coalition of religious, environmental, labour, Latino, and women's organisations which seek to pressure TNCs to adopt socially responsible practices within the maquiladora industry to ensure a safe environment along the US/Mexico border, decent work conditions inside the maquila plants, and a fair standard of living for the industry's workers. Coalition members document corporate irresponsibility in the maquilas which they publicize with videos (e.g., "Stepan Chemical: The Poisoning of the Mexican Community") and reports including "Border Trouble: Rivers in Peril" (about water pollution due to industrial development in the maquila region) and "The Issue is Health" (an 80-page resource on toxic substance summaries and selected readings on health issues plaguing the US/Mexico border).

■ **The Pacific Studies Center (PSC)** (222B View Street Mountain View, California 94041 USA tel. 1415-969-1545 fax 1415-968-1126) is a public interest information center specializing in studies of the social, military, and environmental impact of both the production and application of high-technology electronics. PSC maintains files on every country in the world as well as on corporations (including an extensive file on "high-tech" companies), industries, international relations, and weapons and the military. Its materials about Asian countries, military affairs, and high technology are among its strongest. PSC's library is open for public use. For a fee (starting at US\$20 per hour), PSC staff members are available to carry out field searches on specific subjects. PSC also publishes the monthly "Global Electronics" which monitors significant trends in the global microelectronics industry (annual subscription US\$12 in the US, US\$18 overseas) as well as a book, The High Cost of High Tech: The Dark Side of the Chip (1985) for US\$10 plus US\$1.50 foreign surface mail.

■ **The Silicon Valley Toxics Coalition** (760 North First Street San Jose, California 95112 USA tel. 1408-287-6707 fax 1408-287-6771) is a grassroots organisation consisting of neighbourhood and environmental groups, labour unions, public health workers, and people affected by toxic exposure. It tracks companies involved in the "high tech" electronics and computer industry in California's Silicon Valley, and monitors their emissions, reports findings related to pollution, worker safety and people's health and the electronics industry. The Coalition publishes several newsletters and has also produced a variety of books including: The Legacy of High-Tech Development: The Toxic Lifecycle of Computer Manufacturing; and Toxics, Jobs, and the Environment: A Workbook on California's Toxic Economy.

Directories: Fairchild's Electronics Financial Directory, an annual volume on the industry from the publisher of Electronics News (New York: Fairchild Publications); SIA Yearbook & Directory, a biennial list of industry firms and compilation of statistics (San Jose, California: Semiconductor Industry Association); Status, an annual report on the integrated circuit industry that also includes a list of firms in different segments of the business (Scottsdale: Arizona: Integrated Circuit Engineering).

Industrial Sector Publications

Trade journals or newsletters which report on industry trends, business performance, management changes, recent acquisitions, litigation, etc., often have coverage of the industry's important corporate players and can be invaluable sources of information. Many of these publications will do periodic surveys on the industry, for example, on the 25 top automakers or oil companies, on new corporate chemical plant expansion, or a review listing of all the TNC-built nuclear

reactors. These publications may also carry TNCs' advertisements which can provide insight or ideas for your work. The following are some examples—including many leading trade journals -- arranged by sector:

Pharmaceuticals: Scrip: World Pharmaceutical News, semiweekly.

Beverages: Beverage Digest, semimonthly; Beverage Industry, semimonthly; Beverage World, monthly.

Computers & Electronics: Electronic News, weekly; Electronics, monthly; Global Electronics, monthly (a newsletter from the Pacific Studies Center in Mountain View, California USA); Semiconductor International, monthly.

Motor Vehicles: Automotive Industries, monthly; Automotive News, weekly; Ward's Auto World, monthly; Ward's Automotive Reports, weekly.

Fossil Fuels: Oil and Gas Journal, weekly; Petroleum Economist, monthly; Petroleum Intelligence Weekly; World Oil, monthly; Coal, monthly; Coal Outlook, weekly; Coal Week.

Biotechnology: Genetic Engineering News, 21 times per year; McGraw-Hill's Biotechnology Newswatch, semiweekly.

Nuclear Power: Nuclear News, monthly; Nucleonics Week.

Fisheries: Commercial Fisheries News, monthly; Fishing News International, monthly; Seafood International, monthly.

Chemicals & Related Areas: Chemical week; Chemical and Engineering News, weekly; BNA Chemical Regulation Daily; European Chemical News, weekly; Modern Plastics, monthly; Plastics World, monthly; Pulp and Paper International, monthly; American Papermaker, monthly; Farm Chemicals International, quarterly; Farm Chemicals, monthly; Agrow, semiweekly.

Subscription rates for these publications are not cheap, running into the hundreds of US dollars per year. As with the corporate directories, you will likely have to depend on public -- or more likely, university -- libraries or the assistance of individuals or groups elsewhere for access to these materials.

There are additional paper sources for industrial sector information. The Financial Times international year book series (e.g. Financial Times Oil and Gas International Year Book 1995) published in the United Kingdom covers various sectors; besides oil and gas, the series includes books on mining, hotel and insurance, chemicals, electronics, engineering, and food and brewing. Books in this highly informative series provide a sectoral overview as well as entries on hundreds of companies with information about main offices, officers, business history (in certain cases), principal

subsidiaries, major acquisitions and sales, income and other financial results, property, etc.

A very useful and comprehensive survey of industrial sector source information for the United States can be found in Philip Mattera's Inside US Business A Concise Encyclopedia of Leading Industries (Irwin, New York, NY, 1994). This book gives a great deal of information about US industries such as chemicals, oil and gas, drugs, food and beverages, energy, automobiles, and many others.

It provides historical background, business as well technical overviews, names and descriptions of major corporations, labour issues, etc. It also gives a source guide for each sector, listing the names of stock analysts, trade publications, online computer services, industry associations, labour unions, and books and reports.

In India, the Business Standard produces a yearly survey, Data India, which reviews various industrial sectors including oil and gas, automobiles, fertilisers, agriculture, and chemicals. Production, export, and import figures are included. The Hindu also publishes an annual survey of industry by sectors such as power, electronics, mining, pharmaceuticals, etc. The survey contains articles on current financial, trade, and investment issues. These publications are easily available at News stands in India. ■



Courtesy: Laxman / The Times of India

PIRG PUBLICATIONS

THE WORLD BANK AND INDIA

Not long ago, it was fashionable to talk of the Public Sector capturing the commanding heights of Indian Economy. Now we have the World Bank, along with the IMF, capturing the commanding heights of Indian Economy. The World Bank is no longer involve in a single project as in the past (such as Singrauli and Sardar Sarovar Project). It approves Indian budget, monetary, trade, food, labour and fiscal policies.

Price : Rs. 30 / \$ 5

THE PRICE OF POWER

This is the report of a fact-finding team to Singrauli to examine the adverse social and environmental impacts of large-scale power and mining projects funded by the World Bank and other agencies. The fact-finding team consisted of representatives of various NGOs and people's movements in India as well as abroad.

Price : Rs. 10 / \$ 3

UNHEALTHY TRENDS

This booklet critically examines the impact of the World Bank policies and structural adjustment programme on the Health Sector in India. Critical issues like cutbacks in budget outlays, reduced access to health care and the role of the World Bank have been looked at. Besides agriculture, food subsidies, the pharmaceutical industry, implications of the Dunkel Draft as well as the impact of conditionalities of the World Bank loans have also been analysed in this booklet.

Price : Rs. 15 / \$ 3

WORLD BANK & GLOBALISATION OF INDIAN ECONOMY

First in the series of our policy studies, this study traces the roots of present economic crisis from the 1980 onwards when the liberalisation policies were initiated. The study establishes the influence of the World Bank in shaping the economic policies in the decade of 80s & early 90s.

By Dalip S. Swamy

Price : Rs. 15 / \$ 3

AGAINST CONSENSUS

Public Interest Research Group carried out an action-research to assess the nature and dynamics of public resistance to SAP and GATT negotiations since July 1991. This research is based on the activities of political parties, trade unions, farmers groups, non-party groups, NGOs which carried out various actions in the last three years [July 1991 - September 1994].

Price : Rs. 15 / \$ 3



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